

Sir Keith hits back at 'gross misrepresentation' of birth control views

Sir Keith Joseph further defended himself yesterday against the critics of his comments on birth control. He said he had been subject to gross misrepresentation.

Referring to his record as Secretary of State for Social Services, he sought to clarify, in a statement and in a letter to *The Times*, what he had

meant when he referred to "socio-economic classes four and five".

Mr Norman St John-Stevas, MP, warned the Conservative Party against a lurch to the right. He supported, however, Sir Keith's view that it was not enough for the party to concentrate on economics.

MP's warning on Tory lurch to right

Our Political Staff

Sir Keith Joseph, shadow Secretary of State for Social Services, took issue yesterday with the critics of his comments on Saturday on birth control. In a statement in a letter to *The Times* (page 15), he defended himself against what he called "gross misrepresentation".

His statement said in part: "The nature of the problems I am in my Birmingham speech such that strong reactions have been expected. But the misrepresentation to which I have been subjected warrants an explanation."

He accepted that my reference to birth control was too brief and that I had deserved a separate article. I had thought that my article of initiative and concern for families and for what I called "the cycle of deprivation" when I was Secretary of State for Social Services would have protected me from misunderstanding.

He said that because the children to whom I was referring are born to unmarried or single-parent households, they are in socio-economic classes four and five. In his speech, he pointed out that he used the words "lower

The letter recalls that as secretary of state he gave proportionately more time to the subject of problem families than to any other. Those who observed him at all closely in those years will bear him out; what is ironic is that he failed then to make any political impact with his views.

That would be a gross distortion; but it is a politician's business not to provide such opportunities to his opponents.

A further development in the Tory debate came yesterday when Mr Norman St John-Stevas, party spokesman on education, counselled Conservatives against a lurch to the right in pursuit of impossible abstractions, as he put it.

However satisfying this might be to some Tory ideologues, the penalty would be heavy and ineluctable—permanent political minority status," he told the political committee of the Junior Carlton Club. There was much more to build on the spacious middle ground than on the restricted peripheries of right and left.

The only point on which Mr St John-Stevas appeared to endorse Sir Keith's views was in his belief that it was not enough to concentrate on economics. The Conservative Party should return to its traditional concern with moral values.

Mr St John-Stevas also advised his party against any hasty action in the matter of leadership. "A period of calm, collected and rational reflection is essential in which all the

various factors can be evaluated," he said.

Mr Heath had made a major contribution to the party by telling the people the truth about the country's economic peril. If, egged on by the media, the party gave itself over to the delights of civil war and fratricidal strife, the sacrificial victim would not be Mr Heath, nor any of the candidates for the unvacated leadership, but the Conservative Party itself.

Powell view of events: Mr Enoch Powell, United Ulster Unionist MP for Down, South, expressed distaste last night at the turn of events since Mr Heath lost the general election (a Staff Reporter writes).

Speaking on the BBC television programme *Newsday*, Mr Powell said: "There is something distasteful about the spectacle of men who followed him (Mr Heath) through briar and thicket turning on him now as if that had never happened."

On Sir Keith's speech Mr Powell said: "It's great fun to see somebody else getting into hot water over a speech. I almost wondered if the River Tiber was beginning to roll again."

Mr Powell said he disliked politicians assuming the role of preacher. "I think the morality of politics might be reconsidered by some of those who are talking about it," he said.

"I do not like politicians preaching. We have a very slight effect on the progress of public morals."

Prescription charge: Sir Keith denied later yesterday that his refusal, when in office, to re-

move the prescription charge from contraceptives had made things worse (the Press Association reports).

"It is not just the availability of free contraceptives that matters, it is persuading people to use them," he said. "That is why I encouraged domiciliary family planning services."

Mrs Renee Short, Labour MP for Wolverhampton, North-east, said yesterday that she would urge the Prime Minister to appoint a minister within the Department of Health and Social Security responsible exclusively for population matters. It was hoped that she would have the subject dealt with as a side issue by the Lord Privy Seal.

Mrs Short went on: "It is absolutely right for Sir Keith to say we need considerable extensions of education about family planning, but it is not only needed in the fourth and fifth social groups."

"Unwanted babies are born to women in every group. And when he relates this to a decline in national morality, it is not those in the fourth and fifth social groups who are the victims."

Sir Keith's speech was criticized by Mr Ronald Dick, director of Population Council, who said: "Once again we find the poor being blamed for the failings of our society. The people Sir Keith Joseph describes are not the cause of the problems he describes, they are the victims."

The National Council for One-Parent Families said Sir Keith had made a disastrous attack on the 620,000 single parents in Britain.

Sugar deal ultimatum to EEC by Mr Peart

From David Cross
Luxembourg, Oct 21

Mr Peart, the British Minister of Agriculture, tonight delivered an ultimatum to his European Community partners over sugar supplies for Britain.

He told his fellow ministers at a meeting in Luxembourg that they must make up their minds tonight to approve a system of special EEC subsidies to provide British housewives with cheap sugar; otherwise he or the Community would have to conclude a more expensive arrangement with the Australians.

The European Commission has suggested that EEC dealers should buy sugar on the world market and sell it to the British at the heavily subsidized price of about £130 a ton. The Australians, who have offered to conclude a five-year contract with Britain for regular supplies at £180 a ton, are anxious for a quick decision from the Community. While their negotiations with Britain have been pending, the Australians have also been negotiating with the Japanese, and the British deal falls through.

The main problem, so far as Britain's EEC partners are concerned, is that the subsidy scheme could prove very expensive. The Commission has calculated that it could cost as much as £50m to provide Britain with about 500,000 tons of sugar during the coming months.

The West Germans, in particular, are not eager to agree to an open cheque for subsidizing British housewives. But if there is no agreement on the EEC scheme, Britain could be in breach of the EEC treaties if it goes ahead and secures a bilateral long-term agreement with the Australians. Under Community rules, the EEC is responsible for British sugar supplies after the end of this year.

Earlier today, the ministers gave a cautious welcome to EEC plans for conserving cereals while there is a worldwide grain shortage. They agreed by a majority of 14 to 10 that the European Commission for Agriculture, these proposals would restrict cereal exports to the world's most needy countries and limit feed-stuff consumption by livestock in the Community.

Continued on page 6, col 3

Pace of wage rises eased in September

There was a slackening last month in the pace of wage increases, according to official Government figures published yesterday. Basic hourly rates rose less than 0.5 per cent on the Department of Employment index, to 145.0 in September (July, 1972 = 100).

A separate index monitoring actual earnings—which includes bonuses and overtime payments—showed a rise of 1.9 per cent in August (earnings figures lag a month behind those for hourly earnings).

Both earnings and wages have increased by just over 20 per cent during the past year, compared with a rise in prices of about 17 per cent. However, when allowance is made for tax and national insurance contributions, increase in net pay would barely appear to have kept pace with the rise in prices. Broadly, it would seem that so far wage settlements are in line with the Social Contract.

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Greek junta leaders on massacre charges

Mr Papadopoulos, the ousted Greek President, and Major-General Ioannidis, the former chief of the Greek military police, are among 30 army and police officers facing criminal proceedings on charges connected with the massacre at the Athens Polytechnic last November.

A preliminary report published in Athens yesterday after an investigation lasting seven weeks, said that 34 civilians had been killed in the massacre and 1,103 civilians and 61 policemen injured.

Page 6

Chairman Mao is 'alert'

Chairman Mao Tse-tung was said to be alert and well informed during a meeting yesterday with Mr Poul Hartling, the Danish Prime Minister.

He described the Chinese leader, who is 80, as "a man with a very clear brain and a sense of humour".

There has been speculation about the Chairman's health since reports last week that he had suffered a stroke.

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On other pages

Features, page 14

Geoffrey Smith reviews the position of the Scottish Nationalists and concludes that they can now command more than courteous boredom; Bernard Levin sums up the legal implications of the Paul Foot case on "The day the judges took an extra helping of power"; Anti-Communist millionaire offers £1,000 for humorous account of his political campaigns.

Sport, pages 7 and 8

International Olympic Committee report, Golf: Feature on Hale Irwin, Sandown Park, Leicester and programmes; Levy Board establishment to advise on purchase of stallions for national stud.

Law Report, page 10

Court of Appeal holds that damages award to two boys for the death of both parents in a road accident should not be reduced on the ground that their grandmother had taken them into her home and was looking after them.

Arts, page 11

William Gaunt reports on Van Gogh's early drawings; Paul Overby on contemporary art from Finland, and William Mann on Hans Werner Henze's Tristan.

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Transport strikers bring chaos to Glasgow

Our Correspondent

ow unofficial strike of three and bus and underground in Glasgow yesterday brought thousands to walk to work. The unofficial strike of thousands of road haulage drivers employed by private firms is now seriously affecting the city's industry and food supplies. Shops and supermarkets were being held up by queues of lorries and trucks between the strikers and the conciliation arbitration service in an attempt to try for settlements in disputes.

Lorry drivers' strike yesterday to Aberdeen, Perth and Dundee. Although yesterday it had been expected that the private sector, nationalized National Freight Corporation is now ed and 500 British Road Transport Union drivers from 14 depots 00 Tayforth drivers from depots came out.

National Freight Corporation had just agreed to an 40-hour week which had accepted to take effect last week. But yesterday drivers decided to stop and seek terms similar to those demanded by drivers for private firms, £40 a week. The curfew is £31.60.

Management has offered there are three classes, with different rates but apply to Class 1 drivers. If element is reached today continued on page 2, col 4



The Prince of Wales examines a hole-in-the-heart patient, Craig Ross, 9, at the re-named Prince Charles Hospital in Brisbane yesterday.

African gold mines pay more to get local labour

Michael Knipe
Towyn, Oct 21

Violent clashes between nine security forces and striking African miners in South Africa today determined action to sh sh reliance on foreign labour.

Minimum starting wages are increased by a third and a 10 to recruit more local labour is to be led.

Minimum wage for a new 10 to 150 round from 73p to 1.20p, a minimum cash of 41.60 round a month. The 10 also receive free food accommodation. The new 10 rate for underground is will now be three times it was before May of last

present more than half of 90,000 Africans employed e gold mining industry cruited from neighbouring indent black states. How- the Malawi Government imposed restrictions

on recruitment and there has been a sharp fall in recruitment in Lesotho after violence at the mines. Continued requirements from Mozambique is also uncertain.

At a mine at Germiston, near Johannesburg, today 1,000 Shanganan mineworkers from Mozambique again refused to go underground. Yesterday the miners, who were said to be in an angry mood, marched on the administration building and two men were bitten by guard dogs. The mine security force used tear gas to disperse the strikers.

The mine's manager said he did not know why the strikers were refusing to work, as officials had not been able to communicate with them. The Shanganans had refused to select 20 representatives to put their case, saying that they wanted officials to speak to the whole group.

South Africa's gold mines have been plagued with unrest during the past year, and 55 miners have died violently. South African hait Royal Navy visit, page 7

Piccadilly Circus changes will be kept to minimum GLC committee decides

By John Young
Planning Reporter

After more than 16 years of public debate on the future of Piccadilly Circus, the Greater London Council planning committee has decided in effect that it should be changed as little as possible.

At the end of a relatively cursory debate yesterday, the committee agreed that it was anxious to see the general form of the existing circus retained. The traffic arrangements should continue for the time being, with improved pedestrian facilities at street level and in the Underground concourse.

The decision was reached only a few hours before Westminster City Council was due to consider an application by Trust Houses Forte to redevelop much of the Criterion site, on the south side of the circus. The plans were approved by Westminster's planning committee on September 26.

The difference of opinion between the two councils follows

Half-brothers die in Belfast car shooting

From Robert Fisk
Belfast

Two new victims of the current murder campaign in Belfast were shot dead as they walked to work along Falls Road at 7.30 yesterday morning.

Mr Michael Loughran, aged 18, and Mr Edward Morgan, aged 27, half-brothers, who lived in Cupar Street, apparently did not see a white Corvair car make a U-turn opposite Northumberland Street and drive up beside them. Before they could do anything, a man in the back wound down the window and fired between eight and 10 shots at them from a pistol.

They collapsed on the pavement, one of them dying instantly, the other fatally wounded. He died in hospital an hour and a half later. The car was driven away from the scene, a few yards from an Army observation post, and was later found abandoned at Greenland Street, off the Protestant Shankill Road.

Last night, two Roman Catholic workmen were shot and wounded only 100 yards away from the scene of yesterday's shooting and last year two postmen were machine-gunned to death at exactly the same spot. The area is so hot today it was impossible to see the shooting from their post.

Other Irish news, page 2

President Ford seeks to settle problem of illegal immigrants at Mexico talks

Magdalena de Kino, Mexico, Oct 21.—President Ford and President Luis Echeverria of Mexico, conferred here today on the Cuban question and bilateral problems.

They held the first session of a one-day summit in this small mountain town after a formal meeting on the Mexican-American border, 65 miles to the north.

A senior White House official said no agreements were expected to be reached during the meeting here and a second one in Arizona later in the day of illegal Mexican migrants, workers, and steps to stop heroin smuggling.

However, the two presidents might decide to set up a commission to study the problem of

Mexican farm workers, who enter the United States illegally by the thousand every year. America may be willing to agree to a quota system if the Mexicans do something to stem the illegal flow.

Mr Ford, who was making his first trip abroad since he became President on August 9, flew on board his presidential helicopter to the town of Nogales. In the Magdalena the two leaders were mobbed by thousands of flag-waving Mexicans.

Mr Ford told the Mexican leader it was his fervent wish that their talks would open a personal relationship and lead to even closer cooperation.

As good neighbours, the two countries had jointly resolved problems of flood control, sanitation, border adjustments and the salinity of the water of the Colorado river delivered to Mexico.

Earlier today in Tucson, President Ford said the United States had no assurance that the Russians would permit a minimum of 60,000 Jews and others to leave each year in exchange for improved trade status with the United States.

In a "clarifying statement", issued through his press secretary, Mr Ford said an accord on emigration with the Soviet Union mentioned no specific figures.—Reuter and AP.

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Senator Jackson to speak at Pilgrims dinner

From Our Own Correspondent
Washington, Oct 21

Senator Henry Jackson, the crusader for the Soviet emigration agreement and a Democratic presidential contender, is to be the speaker at the Pilgrim's Society annual dinner in London on November 11.

Dr Kissinger, the Secretary of State, was last year's speaker. The senator, according to his staff, will concentrate on the need for fresh commitments to Atlantic unity, which he feels has been neglected by Dr Kissinger.

Frelimo men die in street battle

Lourenço Marques, Oct 21.—At least three Frelimo soldiers and a white rebel were killed today in a street battle between rebel Portuguese commandos and Government and Frelimo forces.—Agence France-Presse.

HOME NEWS

Royal Engineers will rebuild burnt-out prison at Long Kesh

From Robert Fisk Belfast

The Government has decided to fly 300 Royal Engineers into Ulster to rebuild the Maze prison at Long Kesh, burnt out by inmates last week. The camp, which was visited by Westminster MPs and members of the Northern Ireland Assembly yesterday, will be completely rebuilt within the next three weeks, just as it was before the rioting and arson. The Royal Engineers helped to plan the huts and compounds at Long Kesh when it was first set up as a small, temporary jail for internees in August, 1971. The regiment was given its task by the military authorities yesterday and the 300 Sappers should be in Ulster by the end of the week.

Roman Catholic politicians, who had hoped Mr. Rees, the Secretary of State, was going to close part of Long Kesh and partially end internment without trial, will have no reason to rejoice at the government decision. The prison will accommodate the same number of inmates as before, including remand and convicted prisoners of both religions as well as internees.

The Army will make no official comment about the arrival of the specialist soldiers in Northern Ireland. Most of the equipment and building materials they will need can be obtained locally, but civilian workmen are not likely to be used, partly for manpower reasons and also because they could be subject to intimidation.

Dublin's "fine words", page 14

Miss Dugdale on helicopter charges

From Our Correspondent Dublin

Two people were killed and 10 injured in a train crash at Gormanstown, Co. Meath, yesterday. The dead were Miss Ann Campbell, of Laytown, Co. Meath, and Michael O'Reilly, aged 21, a student of Drogheda. Three trains were involved.

The events leading to the accident began in Dublin early in the morning. A driver of an empty train who suspected mechanical trouble dismounted from the cab to make an examination but when he was down the train moved off. Twenty miles out from Dublin it crashed into another train which was empty and one of the derailed coaches ploughed into a stationary passenger train.

Miss Dugdale on helicopter charges

From Our Correspondent Dublin

Bridget Rose Dugdale, who is serving a nine-year sentence in Limerick prison for receiving paintings stolen from Sir Alfred Beit, appeared at Dublin Special Criminal Court yesterday. She was charged with offences connected with the alleged hijacking of a helicopter in Co. Donegal last January and the subsequent attack on the RUC barracks at Strabane.

Counsel for the state, Mr. N. McDonald, indicated that it was hoped to have other people tried with Miss Dugdale and to bring them before the court soon. Miss Dugdale's trial, which had been fixed for October 25, was adjourned.

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HOME NEWS

£33,000 survey to find the best treatment for backache sufferers

The Department of Health is financing a £33,000 research scheme by the Arthritis and Rheumatism Council to determine the best treatment for backache. One of five projects will be a survey described as the first of its kind in the treatment for sciatica which should help to disclose the causes of the disorder, which affects 30,000 people a year. Five hundred patients will take part in a study of the condition affecting the sciatic nerve, which runs the length of the leg. It can become sensitive, leaving the leg numb or painful.

Treatments that will be studied include traction, that is stretching the backbone, manipulation, exercise and heat treatment. Dr Duncan Troup, of the Royal National Orthopaedic Hospital, who is in charge, says that for many years treatment has been rather arbitrary.

The survey, which is being carried out at St Bartholomew's Hospital, London, and the Royal National and Mount Vernon Hospitals, Middlesbrough, is described in *Talkback*, the newsletter of the Back Pain Association. It disclosed that doctors at St Bartholomew's Hospital, London, have found what may be a missing link in back pain research, that patients with a back disease known as ankylosing spondylitis have a rare white cell in their blood. The disease is painful.

Four million people in Britain have this rare white cell, known as HLA 27, and it is thought that 120,000 of them will get a back disease and another 100,000 will suffer arthritis, a disease, psoriasis, a scaly skin disease, or a type of arthritis of which are linked to ankylosing spondylitis.

The research at Westminster Hospital, by Dr David James and Dr David Brewerton, suggests that ankylosing spondylitis is caused by a germ so

Meat crisis 'like a horror comic'

From Our Correspondent Edinburgh

The latest crisis in the meat industry read like an economist's horror comic, Mr James Royan, of Elgin, president of the Scottish Meat Traders' Federation, said in Edinburgh yesterday.

Addressing the federation's conference, he recalled that in the autumn of 1972 the Government had told producers to invest in beef. In the winter of 1972-73 prices had reached unprecedented levels and government ministers told consumers to switch from beef.

As customers resist, the price falls, until we find ourselves in the late summer and autumn of 1974 now in a situation of over-production, which has thrown our beef-producing industry into complete disillusionment and considerable financial difficulty.

Mr Royan said they had authoritative assurances that plentiful supplies would be available for next year, and therefore they could give their customers beef at prices which were lower than for many months.

Retail butchers should worry because as a responsible section of the beef industry they must, along with their colleagues in wholesaling and production, make a big effort to secure a degree of stability for the industry in the long term. He thought the solution must be practical and only political as a secondary consideration.



Wind of change: The Royal Philharmonic Orchestra has appointed the first two women members in its 28-year history. They are Sue Millan, principal flautist (above), who becomes the first full shareholding woman member, and Prudence Whittaker, clarinet, a co-principal,

who has been appointed an associate member. Another woman honoured by her orchestra is Marie Wilson, violist with the London Philharmonic. A work dedicated to her has been commissioned from Alexander Goehr and will have its world premiere at the Festival Hall on November 17.

Pay claim dropped for social contract

From Our Correspondent Chesterfield

A negotiating committee of shop stewards at the works of Tube Investments in Chesterfield, Derbyshire, has dropped an interim pay claim, which might have provided £3 extra a week for each man, in support of the social contract. Mr Ernest Kelly, the works convenor, said yesterday that apart from the normal threshold payments the

1,500 men at the works had not had a pay increase since January. "We are negotiating a new wage structure but we dropped our claim for an interim award bearing in mind our responsibility as trade unionists," he said. "The question was, did we want to force a breach of the social contract? We accepted our part of the contract and did not pursue our claim." Mr Kelly said that shop stewards had not received one complaint from any of the men, who are represented by four different unions. Mr Arthur Gibbons, personnel director, said that a new pay deal to operate from January 1 would offer "substantial" rises which would be geared to productivity. He added: "There is no doubt that the unions here are fully committed to the social contract."

Director burnt £16,000 to cover up tax lie

From Our Correspondent Leeds

A company director aged 30 who burnt £16,000 in bank notes to protect his father, who had failed to disclose the amount to the Inland Revenue, was fined £5,000 at Leeds Crown Court yesterday.

An Inland Revenue investigator who dug up the family rosebed found the ashes of £5 notes where the director, Keith Sharp, of Skipton Road, Keighley, had buried them.

Mr Sharp, who was a director of the family's poultry factory farming firm, Fred Sharp Ltd, pleaded guilty to three charges of making false statements and burning bank notes with intent to defraud. The prosecution accepted his pleas of not guilty to perjury and making a false statement.

Mr Harry Ognall, QC, for Mr Sharp, told the court that he burnt the money to protect his father, Mr Fred Sharp, who had not disclosed it to the revenue before he died in November, 1971.

Mr Gerald Coles, for the prosecution, said two sums of money were involved, £16,000 given to Mr Sharp by his father within seven years of his death, and so liable to estate duty, and £16,000 which his father made from the business before it was made a public company in 1959, and placed in a safe at the family home at Throstle Nest, Oakworth, near Keighley.

Mr Coles added: "When it became clear that the Inland Revenue were getting close with their inquiries, Sharp took the rather extraordinary step, which gave a new dimension to the expression 'money to burn', of taking the money from the safe, burning it in the fireplace, and burying the ashes in a rosebed in the garden."

Inland Revenue inspectors first became interested in the family's business affairs in 1968, when Mr Sharp's father's wife died. When Mr Sharp and his father were interviewed in 1971 he lied by stating that he had no more than £50 to his name. When his father died the £16,000 should have been disclosed, but it was not.

Mr Coles said that after the ashes were dug up a forensic scientist detected the metal strips of bank notes and was able to say that not less than £500 had been burnt. The total tax evaded was £13,969, but it had now been paid by Mr Sharp.

Mr Ognall said that Mr Sharp was determined that no trace of the money was left. He placed the £16,000 on a fireproof burning fire and burnt the lot. He still regarded it as his father's money and in some curious way I have no doubt that he was still protecting his father at the time."

Mr Justice Bristow commented: "If ever there was a warning to parents who think they benefit their children by fiddling taxes, this is it."

Mr Sharp, who was described as highly educated, with BA and MSc degrees, was ordered to pay £450 costs.

What was a nice quiet, utterly civilised car like the Dolomite Sprint doing in 1974?



Spa 24 hours

Averaged over 100 mph for 24 hours in the Spa 24 hour endurance race in Belgium.

Avon Motor Tour

Finished 1st and 2nd in class, 4th and 5th overall in the Avon Motor Tour of Great Britain.

Design Council Award

Won the Design Council Award for its very special cylinder head design.

MPG!

"Overall fuel economy figure of 27.1 mpg is little short of miraculous". Autocar Long Term Report.

Tourist Trophy Race

1st in class, 3rd overall. Averaged 94.04 mph for 3 hrs. 16 minutes in Tourist Trophy Race at Silverstone.

British Touring Car Championship

Dolomite Sprints, competing against cars of up to 5.7 litres.

win the Manufacturers' Championship overall.

In the Drivers' Championship, Andy Rouse's Sprint

wins Class C (1600-2500cc).

(Results subject to confirmation)

Triumph-cars that live up to their name



Cancer unit tries to stop inrush for tests

One of London's main cancer screening clinics appealed yesterday to women not to "just walk in off the street" for breast cancer testing. Dr Jane Davies, head of the Well Woman Clinic at the Royal Marsden Hospital, said that since recent publicity about a rush for cancer tests by women "the phone has been jammed".

But, she said, dozens of women are just turning up without a doctor's letter. "They must be seen by their family doctor first", she said. "The clinic can only take so many women and it is more important that older women with lumps in their breasts are seen than young girls who are worrying unnecessarily."

"Family doctors have been inundated by people, but at least they are making sure we see women who need examining", she said.

The surge of women seeking cancer tests started when Mrs Betty Ford, wife of the American President, underwent an operation for cancer. A few days later Mrs Rockefeller, wife of the vice-presidential nominee, also had the operation.

Supporters are fined £100

Twenty football supporters appeared in three courts at Blackpool yesterday after the Blackpool match against Manchester United on Saturday. Three, charged with threatening or offensive behaviour, were fined the maximum £100.

£400 shoplifting fine

Mrs Julie Sofianou, aged 41, a Greek shipowner's wife on holiday, staying at the Mount Royal Hotel, Marble Arch, London, was fined £400 with £25 costs at Marlborough Street Magistrates' Court yesterday after she had admitted stealing a dress and two jumpers, valued together at £14.80, from a West End store.

TV strike ends

Yorkshire Television yesterday resumed normal transmission after a dispute over redundancy which had blacked out programmes since last Thursday.

Busmen walk out

Busmen in the Rhymney Valley, South Wales, walked out yesterday over a bonus dispute and a new method of payment and halted 65 buses.

Del damages former ret agent

German newspaper is to substantial libel damages former British secret service officer, the High Court old yesterday. Mr Bryan QC, for Mr Bickham I Cowan Sweet-Escott, said the newspaper, *Die Welt*, had published a letter named Mr Sweet-Escott as an Army officer in the 1st Operations Executive in the war, as the organizer of alleged murder in 1943. It also called us English court proceedings in the matter "ret".

years' jail for man who sacked women in homes

an who tied a woman and to their beds and sexually ed them was jailed at the 1 Criminal Court yesterday 10 years.

man, Anthony Alan Bex, 34, unemployed, of no address, pleaded guilty to ing to rape the woman, 36, at West Horsley, and to robbing her and away her car. He also ed robbing the girl, aged Guildford, attempting to er and taking away a

10-year sentence was consecutive to a 15-month r Bex is now serving for at assault on a male and indecency with children. mes of the woman and

the girl were not mentioned in the charges and Judge Charles Lawson, QC, directed that they should not be identified.

Mr Timothy Cassel, for the prosecution, said the woman, a housewife, had been attacked on November 22 last. Mr Bex had got into her house on the pretext of looking for someone else.

HOME NEWS

Family allowances will go up in Budget but are likely to be less than £2 for each child

By Pat Healy
Social Services Correspondent

An increase in family allowances will be announced in Mr Healey's November Budget as a gesture to compensate families for the effects of inflation since 1968, when allowances were last raised.

But the new level of allowances is likely to be lower than hoped for by many organisations working with low-income families.

Mr Healey is expected to offset part of the cost of raising the allowance by clawing back some of the increase through income tax. In his last Budget he freed about 1,500,000 people from income tax but, because of wage increases since then, most of them are now back within the tax threshold. There is therefore, scope for reducing the cost of higher family allowances by increasing the tax on them.

The Government has accepted that family allowances must be raised, partly because of pressure from trade unions who see it as part of the social contract that families' living standards should

be protected. But the new allowances will not be introduced immediately; nor are they likely to compensate totally for the effects of inflation on small family budgets.

The most likely date for the increase is next April, when changes in the income tax structure could be made to offset the cost. The allowances are likely to be equalised so that all children entitled to family allowances will receive the same benefit, but the figure is likely to be less than £2.

The existing level of family allowances is 90p a week for the second child and £1 for each subsequent child. In the six years since those levels were set, prices have risen by at least 50p in the pound and family allowances would need to be at least doubled to compensate.

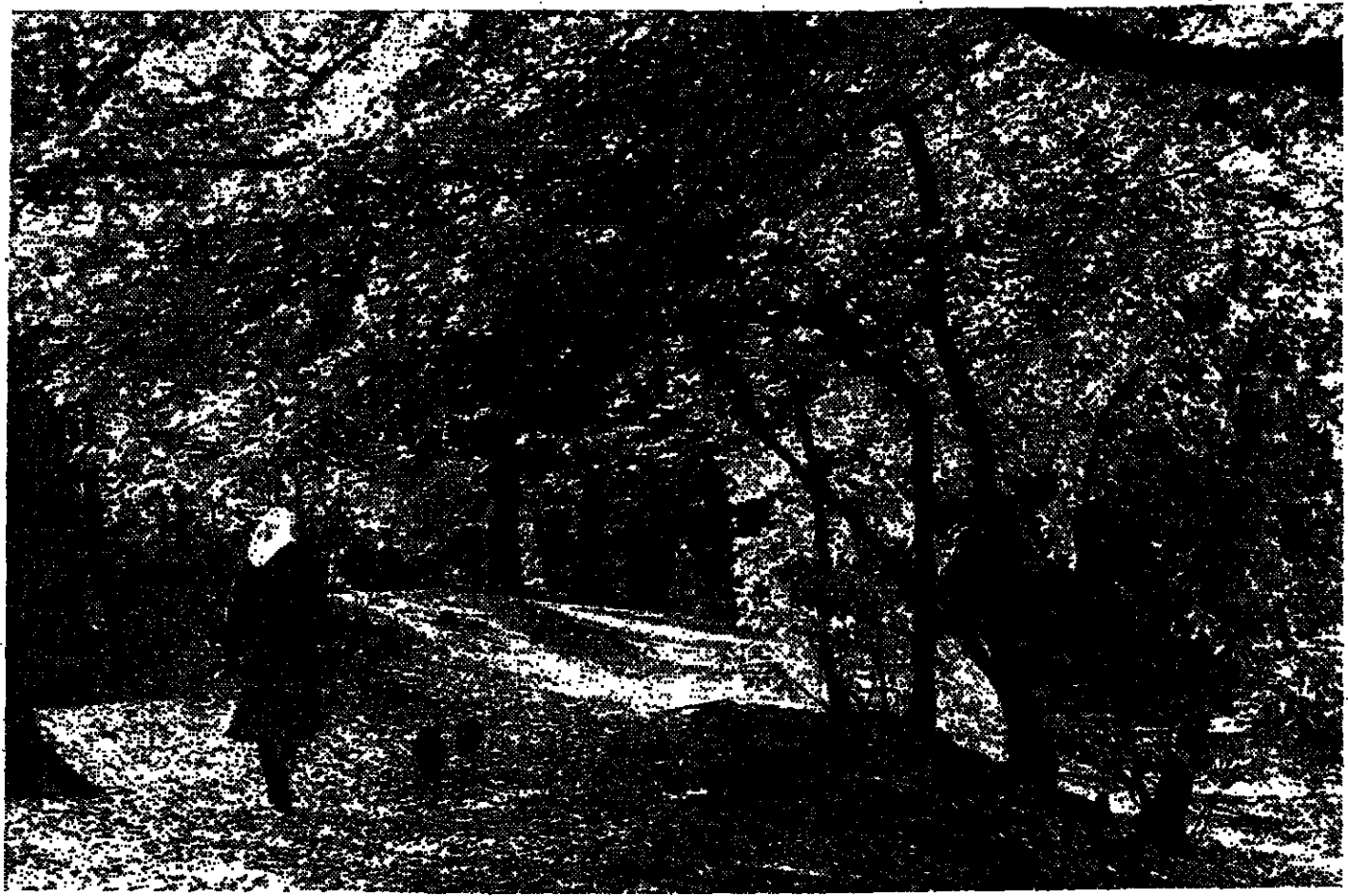
The new allowances are not expected to be raised that much because of the cost. To raise family allowances by £1 a week, and include the first child, would cost £110m more if there were no changes in the tax structure.

Mrs Castle, Secretary of

State for Social Services, is committed to the extension of family allowances to the first child, but not before 1976. It would be done instead of the Conservatives' tax credit scheme, which would have introduced £2 credits for each child, including the first, in 1976-77.

Both schemes would give mothers a higher benefit for their children in exchange for the loss of child tax allowances under the income tax scheme. Figures produced in a parliamentary answer in May showed that to withdraw allowances and introduce a tax-free family allowance of £1 a child would save £550m a year. An allowance of £2 a week, including the first child, would cost nothing.

Those figures were so startling that they have been double-checked with the Department of Health and Social Security, who verified them. The Family Allowances Movement, a broadly based coalition of family and poverty groups, believes they completely undermine the argument that it would cost too much to introduce allowances for the first child immediately.



Walking the dogs through an autumnal scene in Oxshott woods, Surrey, where the variety of tints this year is unusually rich.

Thalidomide campaign 'getting huge support'

By Penny Symon

Mr Jack Ashley, Labour MP for Stoke-on-Trent, South, said yesterday that he had received "monumental support" for his campaign to get a satisfactory solution to the tax difficulties of the parents of thalidomide children.

The Treasury has ruled that any money paid to the children as income from their trust will be subject to tax deductions. The income part of the settlement would amount to more than £14m at the end of seven years, representing an average income for each child of £2,500 a year. The £6m lump sum to be distributed according to disability would not be affected.

Mr Ashley is hoping to meet Mr Healey, Chancellor of the Exchequer, today, possibly accompanied by some parents of thalidomide children, to urge him to announce a Bill exempting the children from taxation.

"I think that this would be the best way to deal with the problem," Mr Ashley said. "I should also like to see the Chancellor open negotiations for a further Bill to exempt the income from compensation of all disabled people from taxation."

"I am not campaigning for thalidomide children only, but for a much broader examination of the laws relating to disabled people and their incomes."

Mr Wilson will meet Mr Healey this morning and discuss the matter; it is known that the Prime Minister has taken a close interest in the affair.

The Inland Revenue clearly felt yesterday that it was being unfairly cast as the villain of the piece. An official pointed out that thalidomide children were not being singled out for taxation.

"The law says that if you have any income, no matter from where it comes, it is likely that you will be liable to tax, and income from this trust does qualify for taxation," he said. "If you want to make an exception, then the law must be changed. We are not getting at thalidomide children; we are simply pointing out the law."

But he also said that if the thalidomide children were receiving money from a charitable trust set up to make payments on an ad hoc, and therefore more irregular, basis, the money would not be subject to tax, because it would not be treated as a regular income. But if a trust was set up, as the thalidomide trust was, to make regular, automatic payments as an entitlement, then taxation was involved.

Leading article, page 15

Leyland to build 3-door version of Mini in Italy



British Leyland today announces a new version of the Mini which is 3in wider and 2in longer than the present model and has an extra door at the back and a folding rear seat (our Motoring Correspondent writes).

The new car (above) will be built in Italy by Leyland's subsidiary company, Innocent,

and sold on the Italian market, where the tax structure and cost of fuel favours the small car. Leyland says it does not intend to make or sell the car in Britain.

Mechanically, the new car will be similar to the existing Mini range, and it will have a choice of 998 cc and 1275 cc engines.

BMA chief seeks negotiating body for professions

By a Staff Reporter

The professions should set up a national organization which could deal with the Government as a counterpart of the TUC and the CBI, Dr Derek Stevenson, secretary of the British Medical Association, suggested at a conference in London yesterday.

He told the conference on industrial relations in the National Health Service that as far as he knew the health service professions had never been party to the social contract. "You cannot expect a great slice of the country to have imposed on it a system to which they were never a party," he said.

Speaking of industrial unrest in the health service, he said the gap between public expectations about health care and the money available for the service had been bridged by the good will and the willingness of health service staff to tolerate poor conditions and long hours. He thought that fund of good will was almost exhausted. "The morale of the staff in all categories has slumped badly."

Building pay claim relieves fears

By Paul Roulledge
Labour Editor

Building workers' leaders yesterday submitted a pay claim for a million men in the construction industry, but the employers were relieved that it fell short of their worst fears of a demand for immediate payment of 87 to 107 per cent more.

The unions were at pains to claim that their wage ambitions of £1.50 an hour for craftsmen and £1.40 for labourers were "completely consistent" with the TUC's social contract with the Government, but nowhere in their 16-page submission did they specify when the new rates should be paid.

This flexible approach will allow employers to make what will probably be a two-tier reply when the two sides meet again on November 18: an arrangement to safeguard earnings over the winter and new basic rates to operate from some time next year.

The unions put four arguments in defence of their claim, which they described as "certainly not excessive, and indeed may be too modest". Those were the impact of inflation on building workers' earnings; the profitability of the industry;

the "relatively bad" level of construction craftsmen's rates compared with those in other industries; and a need to introduce a "realistic" wage agreement that closed the gap between nationally negotiated minimum rates and earnings at site level.

On all the grounds of justification, the unions concluded they "must table a claim based on the principle of restructuring in line with decisions of their policy-making bodies".

This insistence on abiding by the "principle" of the claim decided at the biennial gathering in July of the Union of Construction, Allied Trades and Technicians (UCATT), will please the TUC more than the Communist Building Workers' Charter, the rank and file movement that is pressing for immediate and vigorous pursuit of the full conference decision of £1.50 and £1.40 for a 35-hour week, backed if necessary by industrial action.

The unions appear to be making a two-sided attempt to convince the left-wing movement that they mean business, and simultaneously to reassure the TUC that they will not breach the social contract. Building workers are not due for another

major settlement until next summer.

In a statement the unions said: "Firstly, this claim is completely consistent with the social contract and secondly in the light of the fact that these rates are already in payment throughout much of the industry. The present claim is an attempt to bring the negotiated rates closer to actual earnings on site to provide stability of incomes for construction workers."

This argument will be closely challenged by the employers. Present minimum earnings are £35.20 for craftsmen and £30.40 for labourers for a 40-hour week taking into account basic rates, guaranteed minimum bonuses and threshold money. Average earnings are about £49 for a 47-hour week.

The unions' claim would give craftsmen £52.50 and labourers £49 for a 35-hour week. Clearly, the inflationary effect would push average earnings up to £70 to £80 a week.

Leading members of the TUC construction committee, including Mr Smith, will meet ministers today to discuss legislation on "the Lump"

Leading article, page 15

More Ford men vote to accept new offer

By Our Labour Staff

Workers at two more Ford factories voted yesterday to accept the company's £68m pay offer. There will be further meetings today and tomorrow, including key workers at the main production centres of Dagenham and Halewood.

The decisions taken yesterday by the 1,000 employees at the Dagenham parts depot, and 300 at the Belfast carburettor plant, were unanimous. On Sunday, 1,400 of the 11,000 men at Halewood accepted the offer.

Union leaders have urged the men to accept the proposals and shop stewards are expecting an overwhelming vote in favour of them. If the vote is favourable, the first pay increases will be paid this week.

The deal is in three parts: second and third increases will be made next October and in April, 1976. By the end of the two-year agreement the average earnings of production workers would have risen by £23.15 a week to £81.35. Craftsmen would be earning £91.17 and seven-day shift workers £95.04.

If our past surprises you, our future will amaze you.



On 30 July, 1874, Parliament passed the Building Societies Act.

It gave the building societies of this country a corporate existence.

And it gave this country nothing less than a social revolution.

One hundred years ago, home ownership was reserved for the very privileged few.

By the middle of the twentieth century, about a third of all dwellings in the United Kingdom were owner occupied.

Today, the figure is well over 50%. More than 9 million



homes owned by their occupiers.

And more than 85% of the homes being bought on mortgage today are financed through

a building society—half of them by first time purchasers.

With the help of the building societies, it's been a steady climb to more and more people owning their own homes.

Without the help of the building societies, it would have been impossible.

And what of the future?

More of the same.

To continue the climb towards what the majority of people in this country want—more home ownership.

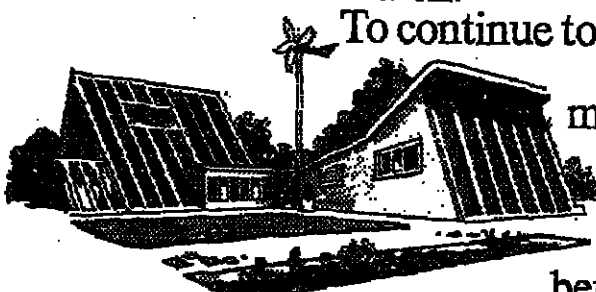
To continue to act as the best possible

go-between for those who want to save money and those who want to borrow it.

To continue to give savers and investors a wide-range of savings plans, offering safety, security, liquidity and the best possible interest rates.



To continue to give home buyers the service, advice and guidance no other group or institution can match.



To continue to help more people buy more homes. And to continue to build a better Britain.

The Building Societies Association. Building a better Britain.

The Building Societies Association 14 Park Street London W1Y 4AL

HOME NEWS

Court told of 40 girls recruited for 'blue' films

A film producer told a jury at Birmingham Crown Court yesterday that he had recruited 40 to 50 girls for "blue" films.

John Lindsay, aged 35, said that five of them volunteered their services after a television programme about his work.

He recruited others through his work as a photographer, and after taking part in sex films some of the girls recommended their friends. One even recommended her sister.

Mr Lindsay, of Fellows Road, Hampstead, London, denies conspiring with John Darby and others to publish obscene films. Three other men and two women have admitted the charge and await sentence.

Mr Lindsay is said by the prosecution to have made 29 films in a Birmingham secondary school, hotel, bridal suites and country cottages, depicting sex "in the nastiest, lowest fashion". He has admitted making blue movies for a Dutch client, but only for showing abroad.

Cross-examined by Mr Stephen Brown, QC, for the prosecution, Mr Lindsay said yesterday that he recruited 40 to 50 girls over a period, probably 25 to 30 of them for films in England.

The average age of the girls was 21 to 25 but two were "young ladies of 18". "I must make this clear," Mr Lindsay told the jury: "Most of the girls contacted me, requiring me knowing full well what I was doing."

Asked what he had told the girls they would have to do, he replied: "Sexual intercourse". Mr Brown referred to one film, shown to the judge and three jury last week, entitled "Anal Rape".

Mr Lindsay agreed the act of sodomy was committed in it and said that, although it would probably sound unbelievable, he had actually told him he preferred sexual intercourse in that manner.

Mr Brown: "You realize that sodomy with a woman is still a criminal offence?" "I did it," he said.

Mr Lindsay said it was to be seen a simulation rape in the ordinary sense of sexual intercourse. The girl said she preferred anal intercourse and he said that "would come very well on the screen".

Dr Lionel Hayward, of Heston, Surrey, a psychiatrist dealing with psychological disorders and marriage guidance, said that he had seen selection of the films involved in the case.

He said examination of cases married couples who had had a opportunity of seeing sex films showed their sex life had improved by seeing them. There was no evidence, in the search, of mental illness being caused by such films or by pornography generally.

In the last few years sexual films had been increasingly used by the National Health Service, said. "We have found it necessary to recommend them."

Mr Justice Wainwright asked: "Do you recommend paedophilia on the National Health Service?"

No, I do not recommend paedophilia to anyone who is not in every respect. They recommended in case of sexual disorders," Dr Hayward said. The trial was adjourned until 29.

Former stockbrokers face 55,000 charges

Our Correspondent

Three former stockbrokers were remanded at Bristol Magistrates' court yesterday on charges involving conspiracy, fraud and conversion of £55,000. The conspiracy charges alleged that they induced the public to invest in various companies.

The three are Bernard Yorke, aged 64, of Manor Road, Exeter; John Chaplin Bradbeer, aged 40, of Hockford Road, Poole; and Frederick Herbert William, aged 35, of Station Road, Nailsea.

They were all connected with running of a firm of stockbrokers, Bartlett and Co, of

Mr Tyndall remains as chairman and head of policy committee as a result of the elections by the national directorate, held at Exeter at the weekend.

Kingsley Read, a businessman who has stood as a Labour candidate in Exeter since leaving the firm three years ago, was English literature graduate from Leeds University.

Martin Webster remains in charge of the important of publicity and activities. National Front lost all its deposits at the general election's biggest share of the vote was 3.4 per cent, in Hackney, London.

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In brief

'Spectator' to pay Cape

Allegations in the Spectator in January, 1972, about the financial status of Jonathan Cape, Ltd, the publishers, had no foundation in fact, Mr Leon Brittan, for Cape, told Mr Justice Milmo in the High Court yesterday. He said the magazine had agreed to pay Cape an appropriate sum and their legal costs.

Mr Edward Aspin, apologized for the proprietors of the Spectator.

Medal awarded for air rescue

An RAF flight sergeant who in May rescued a badly injured climber from a cliff ledge on Snowdon, was yesterday awarded the Air Force Medal.

Flight Sergeant John Donnelly was the winchman of an RAF helicopter. The climber had broken both legs and a bone in his shoulder and was bleeding badly. To reach the ledge, Sergeant Donnelly added 200ft of rope to the cable, which swung like a pendulum, but he protected the man from hitting the cliff face.

Burnt woman in garden dies

Grace Baker, aged about 40, died after apparently setting fire to herself in the garden of her home in Wilberforce Road, Hendon, London, yesterday.

She was thought to have poured paraffin and methylated spirits over herself while standing in the bath and then walked into the garden. Firemen put out a small blaze at the house.

Silver wolf honour

The silver wolf badge of scouting has been awarded to the Duke of Norfolk in recognition of 40 years' service for the movement. The Chief Scout, Sir William Gilchrist, said yesterday. It will be presented at a ceremony in Sussex next month.

Burned boy goes home

Gordon Thomas, aged eight, was allowed home from hospital yesterday after an incident in which he and another boy, still detained, were set on fire by paraffin oil which was poured over them by two older boys near their homes at Corby, Northamptonshire.

Charity plot wife jailed

Mrs Heather Spraggon, aged 35, of Alderwood Road, Eltham, South London, who was found guilty last week of taking part in a cancer research charity conspiracy for which her husband and two other people were jailed, was sentenced to 21 months imprisonment at the Central Criminal Court yesterday.

Salty protest

Highways staff at Dudley, Worcestershire, yesterday banned emergency salting of icy roads this winter to support their demand for higher pay for standing by outside working hours.

Shopping bag

Plain-clothes police detailed to catch shoplifters in Nottingham made 37 arrests in shopping centres in four hours on their first day, it was reported yesterday.

Man given eight years for killing girl

Lloyd Inman, aged 18, of Gloucester Road, Aldershot, was sentenced to eight years' imprisonment at Winchester Crown Court yesterday for killing a girl aged eight.

Mr Justice Phillips told him: "This was a most distressing case."

Mr Inman had denied murdering Deborah Burningham, who lived opposite him. He was found not guilty of murder but guilty of manslaughter.

The girl's body was found at the back of the house next to Mr Inman's home. She had been strangled and sexually assaulted.

Mr Inman, a semi-skilled engineer at Farnham hospital laundry, admitted the killing, but later told the police he had made the admission to protect a friend.

He also denied assaulting the girl sexually.

£10,000 bank raid

Barclays Bank, London Road, Leigh-on-Sea, Essex, was robbed of £10,000 by a man who threatened the manager with a pistol yesterday. A man is to appear at Southend court today.

WEST EUROPE

Joint sitting of French Parliament adopts constitutional reform strengthening rights of opposition

From Charles Hargrove, Paris, Oct 21

The two houses of the French Parliament, meeting in a special congress at Versailles today, adopted by a substantial majority a reform of the constitution.

The amendment enables a group of 60 deputies or senators to bring cases before the Constitutional Council, the French equivalent of the United States Supreme Court, but with much more limited powers.

The reform was designed by the Government to extend the powers of the opposition; but the Opposition voted against the Bill. However, only the President, the Prime Minister or the Speakers of both houses of Parliament could submit cases to the Constitutional Council.

The Bill was carried by 488 votes against 273. This was 31 votes over the three-fifths majority required for constitutional reform. The vote today is a final success for President Giscard d'Estaing and for the Government, which has been under fire in Parliament for the past fortnight over the reform by a small band of Gaullist die-hards.

There was something of the atmosphere of a country outing about today's session. A large number of deputies and senators travelled by special trains, and were met at the Versailles station, discreetly decorated with four tricolour flags, by ushers in frock coats and cocked hats, who led them to waiting buses.

Others came by air. M Jacques Chirac, the Prime Minister, arrived by helicopter.

The holding of the session in Versailles required a great deal of organization, and cost about 300,000 francs (£27,000) which confirmed some parliamentarians in their view that it was an unnecessary luxury in time of austerity.

A special post office and telephone exchange was set up, an infirmary and a restaurant organized in the Hall of Battles where, for a modest sum, parliamentarians could have their midday meal.

Security precautions were taken, and even deputies and senators had to show their passes before entering the building.

This is the third revision of the constitution of 1958, but the second only by parliamentary process. The reform of 1962, which provided for the election of the President of the Republic by direct universal suffrage, was decided by a referendum after it became clear that there would not be a parliamentary majority to carry it.

In 1963, a constitutional congress met at Versailles to vote on the relatively minor matter of changing the date of parliamentary sessions.

Ten years later President Pompidou introduced a reform Bill to reduce the length of the presidential mandate from seven to five years. Although

it was voted by both Houses, the project was dropped because, once again, it was not assured of the necessary parliamentary majority of three-fifths.

The same criticism was voiced against that reform as against the present one, by the Opposition and also by some Gaullists, that it was "untimely and uncalled for". But M Giscard d'Estaing has persisted with it in order to prevent the mechanisms of constitutional reform by parliamentary process from becoming rusty.

This is precisely what the Gaullist diehard faction which regards the 1958 constitution as sacrosanct, wished to achieve. Throughout the discussion of the Bill in the National Assembly, they mingled their votes with those of the left in opposing it.

M Chirac told the congress this morning that the reform was not a mere procedural modification. "It is an additional recognition of the rights of the Opposition, a new protection for the rights of minorities," he said.

But he was careful to reassure the Gaullists that the Government would under no circumstances bring into question the principles on which the constitution was based.

"The amendment proposed today is not a modification of those principles. It confirms the very spirit of our fundamental law."



M Chirac, the French Prime Minister, greeting Mr Trudeau at Orly airport, Paris, yesterday.

Trudeau visit aims to bury the hatchet

From Our Own Correspondent, Paris, Oct 21

The official visit of Mr Trudeau, the Canadian Prime Minister to Paris, where he arrived this morning with his wife and a delegation of 18, marks the desire of Canada and France to bury the hatchet once and for all.

It takes place seven years after General de Gaulle's journey to Quebec in 1967 and his resounding call of "Vive le Quebec Libre", which led to a long period of estrangement between Paris and Ottawa.

During his three-day stay Mr Trudeau, who is being received with the protocol of a head of state, is having two private talks with President Giscard d'Estaing, one today and one on Wednesday, and was entertained by him at a state banquet at the Elysee Palace this evening.

M Chirac, the Prime Minister, set the tone of the visit at the luncheon he gave for Mr Trudeau at the Quai d'Orsay, where they continued their talks. Agreement was reached to set up a Franco-Canadian energy working group.

M Chirac and Mr Trudeau later walked from the Quai d'Orsay to the Prime Minister's office, where they continued their talks. Agreement was reached to set up a Franco-Canadian energy working group.

two countries a link comparable with no other. Frenchmen of today are concerned not with a Canada of their dreams, but with a Canada of reality."

Mr Trudeau paid tribute to the "new France", which he said was once on the other side of the Atlantic but was now this side.

Mr Chirac and Mr Trudeau later walked from the Quai d'Orsay to the Prime Minister's office, where they continued their talks. Agreement was reached to set up a Franco-Canadian energy working group.

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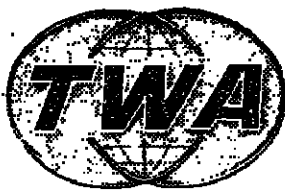
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OVERSEAS

Senator Fanfani ponders on the sort of government he wishes to lead and the partners to choose

From Peter Nichols
Rome, Oct 21

Senator Amintore Fanfani, the Prime Minister designate, was "reflecting" today on the next step in his quest to give the country a new government. The outcome of his reflection should decide whether or not the country is just once again between administrations or about to take a fresh course.

He is in the unusual position of having his own Christian Democratic Party reasonably solid behind him and a generally undemanding attitude from the Communist opposition, while his potential allies, in particular the Socialists and the Social Democrats, are imposing conflicting demands on him as their price for returning to a coalition.

The Social Democrats are imposing purely political decisions. They are insisting on what they call a return to the origins of this type of coalition, by which they mean largely that the line drawn between the ranks and those of the Communists should be clear and unequivocal. The Socialists want radical innovations which would alter the style of government as much as the political complexion of the coalition.

They want a government pledged to reveal the respon-

sibility at all levels of those who have been conspiring against the democratic state for years. They want votes at 18 years of age; a reform of the state broadcasting corporation to guarantee impartial information; the abolition of useless public bodies used as political shields; a campaign against tax evasion; and an influential ministry—Interior, Foreign Affairs, Treasury or Defence—for one of their own people.

In addition, they want low prices imposed by the Government on essential goods and a year's pay for dismissed workers.

This is a more ambitious set of conditions than those proposed by the Communists in opposition, who limit themselves to an acceptance of responsibility for the present situation on the part of the governing Christian Democrats, a stand against a dissolution of Parliament and a government willing and able to deal with a minimum of immediate measures.

On the face of it, some of these Socialist demands look easy enough to accept: the drive against tax evasion, for instance, or the punishing of persons who have helped directly or indirectly the right wing extremists intent on destroying the state. But it is not so simple.

Senator Fanfani is regarded as the strongest man in the biggest party, but this is a party which has governed the country since the end of the Second World War without a break. It is now admitted generally that sympathizers in the administrative apparatus have helped cover up the activities of conspirators, and attempts at removing superfluous public offices have failed in the recent past because they are important centres of political influence.

Tax evasion might look easily removable now that fiscal reform is being applied, but the administration itself is showing its failings with the reports in the press of demands under the reform sent to persons dead for the past five years, but not to their heirs.

Nevertheless, there is a growing feeling—and Watergate has played its part in this—that the salvation of democracy in Italy may well be frankness and an end of the period in which the worst allegations against the political class are buried after a short spell of crises of scandal. Easy negotiations of illicit financing of the political world by the oil companies have been bracketed away in a somewhat arid argument as to whether the politicians themselves really had the right to take over the inquiry from the judiciary.

French jobless total up by 24 per cent on a year ago

From Our Own Correspondent
Paris, Oct 21

There were 498,500 unemployed in France last month, according to Ministry of Labour figures disclosed today. The proximity to the half-million mark, which represents a 24 per cent increase on the unemployment figures of September a year ago, inevitably provoked a sombre reaction in French public opinion.

The country remains highly sensitive to unemployment, both in human and political terms, accepting almost eagerly high rates of inflation provided everyone can work.

The number of jobs vacant last month dropped by 28,100 to 179,500 compared to August, the chief holiday month in France, and compared with the 257,900 jobs French employers were offering 12 months before.

French labour experts were predicting today that the figure of those suffering more than transitional unemployment

at present about 145,500 people, would rise to 250,000 over the next six months.

The official figures came as both of France's main trade unions, the communist-run CGT and the socialist CFDT, today launched a campaign of so-called "days of action", to include stoppages on the factory floor and public demonstrations, in the defence of jobs and the purchasing power of wage earners.

The French authorities noted today that France still enjoys one of the lowest percentage unemployment rates among the industrialized nations.

What today's figures do show is that the customary swelling of the demand for jobs due to the autumn influx of school leavers was accompanied last month by significant sectoral unemployment. In the service industries there are at present six people for each job vacant, while in the key metallurgical industry the overemployment situation has now completely disappeared.

Lisbon communists name leadership

From Our Correspondent
Lisbon, Oct 21

The Portuguese Communist Party has announced for the first time the names of the members of its central Committee, two of whom are women. All have served terms of imprisonment, ranging from a few months to 21 years, for their activities under the former regime.

"Veteran" is Senator José Magro, who has been a member of the party for 34 years and was jailed for 21 of them. Senator Alvaro Cunhal, the secretary-general, who escaped from the fortress prison of Peniche after 13 years, has been a member of the party for 43 years.

An extraordinary Communist Party congress was held here yesterday. It was attended by 4,000 people and was the first legal one in Portugal since 1923.

Afterwards, the party's weekly newspaper *Avante!* produced a special number, with proposed alterations to the statutes and a congress proclamation.

"Portugal lives in liberty. The colonial wars have ended... the Portuguese people do not wish to return to the past."

"They wish to conserve and are ready to defend that which they conquered and earned with the April 25 coup and since then. They are ready to fight for basic democratic changes which will put the country on the road to rapid development."



"Charles went up on the stage with Murko the Magician."

"What happened?"

"His bottle of High & Dry disappeared."

"Poor old Charles."



HIGH & DRY
Really dry gin



Mr Sauvagnargues, the French Foreign Minister, and Mr Yasser Arafat, the Palestinian guerrilla leader, at a working breakfast

Mr Arafat told of French concern for Lebanon

From Our Correspondent
Beirut, Oct 21

Mr Sauvagnargues, the French Foreign Minister, today met Mr Yasser Arafat, the Palestinian guerrilla leader, for one hour 45 minutes over breakfast at the French ambassador's residence amid strict security measures.

Diplomatic sources said Mr Sauvagnargues, the French Foreign Minister, met Mr Arafat, the leader of the Palestinian Liberation Organization, to discuss the situation in Lebanon and the territorial integrity and would measure its support for the

guerrillas by the extent that their raids inside Israel did not compromise Lebanese sovereignty.

Mr Sauvagnargues was referring to Israel's repeated air, sea and land retaliatory attacks on south Lebanon in reply to guerrilla operations inside Israel, although the guerrillas have always denied that their operations were launched from Lebanon.

The sources said Mr Sauvagnargues was thought to have asked Mr Arafat about Palestinian strategy in the present United Nations General Assembly session, in which the Pales-

tine question will be discussed early next month. Mr Arafat is likely to address the assembly, explaining the Palestinian case.

The sources added that the minister was also thought to have told Mr Arafat that France supported Israel's right to exist as well as Palestinian rights.

Thirty minutes after the meeting was over Israel jets broke the sound barrier over Beirut with louder than usual booms.

The Palestine news agency Wafa said the talks dealt with Palestinian relations, the Middle East and other issues. It

confirmed that the talks dealt with the General Assembly session "and France's positive attitude towards the Palestinian people".

Mr Sauvagnargues told a press conference later that the more moderate the demands made by the Palestinians at the United Nations, the more France would support them.

He added: "The Palestine problem must be taken into consideration... From now on it will be one of the fundamental considerations in the search for Middle East peace."

Mr Sauvagnargues was due to fly to Amman later for talks.

New Hampshire consumers wooed by Democratic challenger

From Peter Strafford
Manchester, New Hampshire
Oct 21

"It's time for a change; we need some new faces." This is the sort of challenge that is being made in many parts of the United States this autumn as Democrats try to press home their current advantage over the Republicans.

In conservative and rural New Hampshire it is the main theme in the campaign of Mr John Durkin, the Democratic candidate for the United States Senate. Mr Durkin is talking about the corruption and ineffectiveness of the Government in Washington, and presenting himself as a "new face" who will do something about them.

He is not so well known as his Republican opponent, Mr Louis Wyman, a member of the House of Representatives, but he is running an active campaign as a consumer protector. He hopes that this will appeal to people who are disenchanted with Washington.

Until a few months ago, the election was expected to be an easy victory for Mr Wyman. As in neighbouring Vermont, the Republican incumbent, Senator Norris Cotton, is retiring this year after 20 years in Washington, and Mr Wyman appeared certain to take over from him. He has been in politics for

many years, first in New Hampshire and then in Washington. He has a record of doing things for the state, in such matters as getting contracts from the Federal Government, and he is emphasizing his experience and contact in the campaign.

However, Mr Wyman has proved to be particularly vulnerable in these post-Watergate days, and his situation is no longer sure. His main trouble is an accusation by Mr Durkin that he was involved in the "Farkas affair", in which Mrs Ruth Farkas was nominated as ambassador to Luxembourg by the Nixon Administration after contributing \$300,000 (about £130,000) to Mr Nixon's 1972 reelection campaign.

Mr Wyman has denied doing anything wrong and has publicly stated that he was not involved in the Farkas affair. He has also stated that he was not involved in the Watergate scandal, and he is emphasizing his experience and contact in the campaign.

under pressure to change his mind that the accusations have had an effect.

Mr Durkin has pressed his attack further by emphasizing the contributions that Mr Wyman has received from representatives of oil, car and insurance businesses. He has pointed to his right-wing voting record in Congress and described him as a "politician of the fifties", the tool of big business.

In New Hampshire, as elsewhere, voters are still influenced by Watergate and President Ford's pardon for Mr Nixon. They are also preoccupied by the rise in the cost of living, and they appear to have little confidence that either party can do much about it.

Shaikh may help to rebuild Suez towns

From Our Correspondent
Cairo, Oct 21

Shaikh Sabah as-Salim as-Sabah, the ruler of Kuwait, today travelled to the Suez Canal front and inspected Egyptian forces in Sinai.

He was accompanied by Dr Abdul Aziz Hegazi, the Egyptian Prime Minister, and Mr Ahmed Ghanem, the Construction Minister. The party toured parts of Israel's Bar Lev fortified line destroyed by the Egyptians during the October war.

The shaikh's visit coincided with the beginning of festivities in Suez town, on the southern end of the Suez Canal, to mark the first anniversary of the day on October 24, 1973, when Israeli forces were prevented from occupying the town.

The shaikh is expected to make a generous contribution to the reconstruction of the war-battered towns in the canal zone.

He later had lunch with Major-General Ahmed Badawi, the commander of Egypt's Third Field Army. Dr Hegazi, Mr Ghanem, and members of the Kuwaiti delegation also attended.

The first formal talks between President Sadat and the Shaikh were held in Cairo yesterday. The two leaders discussed the latest developments in the Middle East, including the efforts of Dr Kissinger, the United States Secretary of State, to reach a peaceful settlement.

They also exchanged views on questions to be discussed at the Arab summit conference which is to begin in Rabat on Saturday. The possibility of Kuwait taking part in a number of Egyptian development projects figured prominently in the discussions.

A joint communiqué on the talks is to be issued here and in Kuwait on Friday.

Watergate jury hears tapes of Nixon conversations

From Patrick Brogan
Washington, Oct 21

The Watergate trial continued here this morning, with the court listening to White House tapes in which President Nixon and his closest assistants discussed the imminent collapse of the cover-up.

In a conversation recorded on March 22, 1973, Mr Nixon discussed paying money to one of the Watergate burglars to keep him quiet, offering him a pardon before Christmas that year and other ways of avoiding the scandal.

Mr John Dean, who was then the principal prosecution witness, told the President again that the "cancer on the Presidency" must be removed. He told the court that he offered two alternatives to Mr H. R. Haldeman, the President's chief of staff: "Let the whole thing unravel, or pull the wagons around the White House, sacrificing everyone outside."

According to his evidence, this conversation occurred just before the meeting with Mr Nixon, and was not recorded. In the meeting with Mr Nixon, Mr Haldeman and Mr John Ehrlichman, the chief domestic adviser, Mr Dean was less

categorical. He did not suggest "pulling the wagons around the White House", but did explain that people involved in Watergate were beginning "to protect their own behinds."

Listening to the tape confirms the impression given over the past 18 months: that of those most closely involved, Mr Dean was the only one to realize that time was running out for Mr Nixon. Mr Haldeman and Mr Ehrlichman kept hunting for a way out. They wanted a report exonerating everybody except, perhaps, Mr John Mitchell who was then Attorney General, and Mr Jeb Magruder of the re-election committee. It would be published as proof of the innocence of the White House.

Mr Ehrlichman offered a scheme of defence that has been used ever since. The "Dean report" should have lists of people consulted "so that the President at some later time is in a position to say: 'I relied...'"

When he was last heard from, Mr Nixon was still claiming that he had relied on Mr Dean and had been betrayed. Mr Ehrlichman, and presumably Mr Haldeman, too, would seem to have decided to offer the same explanation of their conduct.

Carolina election candidate barred

Washington, Aug 21

The Democratic candidate for governor in South Carolina was formally disqualified today by the Supreme Court.

Mr Charles Ravenel, a surprise winner in the primary election had been disqualified after election by state courts because of the residency laws.

He is succeeded as Democratic candidate by the man he defeated, Congressman William Jennings Bryan Dorn.

Warning of anarchy in Baluchistan

From Our Correspondent
Rawalpindi, Oct 21

Mr Abdul Wali Khan, president of the National Awami Party, has described the Pakistan Government's White Paper on anti-insurgency operations in Baluchistan as a "pack of lies".

The White Paper, issued on Saturday, accused the party leadership of subverting federal authority in Baluchistan with the connivance of Afghanistan Government leaders.

Mr Wali Khan said it gave a distorted picture of the situation in Baluchistan and his party would make a reply. He contended that the problem of

Baluchistan arose from the refusal by Mr Bhutto, the Pakistan Prime Minister, to accept the democratic right of opposition parties, which won two elections, to form their own government in Baluchistan and the North-West Frontier province.

The Awami Party leader is reported to have said in Peshawar that Mr Bhutto's People's Party was routed in the Baluchistan elections and the Punjab could not be allowed to rule Baluchistan. The denial of democratic rights would lead people to take the path of anarchy.

Meanwhile the Pakistan Gov-

Top Greek junta men on massacre charges

From Mario Modiano
Athens, Oct 21

Criminal proceedings were ordered today against Mr George Papadopoulos, the ousted President, and Major-General Demetrios Ioannidis, now retired, as well as 28 other Army and police officers in connection with the massacre at Athens Polytechnic last November. According to the latest findings at least 34 civilians were killed there and more than 1,100 were injured.

Mr Constantine Fakouts, the Athens public prosecutor, said today that he had initiated penal action against the 30 men after receiving a preliminary judicial report on the deaths after the Athens Polytechnic revolt.

The preliminary inquiry, conducted by Mr Demetrios Tsavris, the investigating magistrate, lasted seven weeks. Excerpts of his report, released today, asserted that while the exact number of casualties had not been determined, those were higher than the 15 officially identified and the 300 injured.

The report recommended the indictment of Mr Papadopoulos, of General Ioannidis, who as brigadier was at the time chief of the military police, and of Major-General Michael Roufogalis, another retired officer, on charges of being "moral instigators" to mass murder, attempted mass murder, and on three other counts.

The report also recommended the indictment as accomplices to mass murder and other related offences of General Demetrios Zagorianakos, now retired, who at the time was commander-in-chief of the armed forces "for ordering the troop movements", as well as five other generals connected with the operation; the chief of police and the director of the Athens police; and a number of junior officers, including three police men, and intelligence officers, on charges of direct or indirect involvement.

The report called for charges of attempted mass murder against Captain Spyridon Stamboulis, who ordered an armoured vehicle to smash the high cast-iron gates which dozens of students had been peering.

The report holds him responsible mainly of the grave injuries sustained by Miss Pepi Kigopoulou, a student, whose legs were crushed by falling masonry when the tank hit the gates. She is now undergoing treatment in England.

Mr Tsavris said in his report that, as a result of evidence collected, he estimated that of the at least 34 civilians who had died during the Polytechnic uprising, 16 had still not been identified. Most of them had been killed by shots, deliberate or stray, from "passing tanks".

The report accused Brigadier Nikolaos Dertilis, deputy commander of the supreme military command, of allegedly murdering a schoolboy, aged 17, outside the Polytechnic. The brigadier was one of 24 junior officers suspended from active service for up to one year by the civilian Government last month.

Mr Tsavris added that at least one person, still unidentified, had been murdered by policemen "in cold blood" inside an Athens hospital where he had been taken for treatment of injuries.

Mr Tsavris rejected reports about burials in mass graves, and pointed out that none of those killed was a student at the Polytechnic. The report gave the total number of injured as 1,103 civilians and 61 policemen.

It added that, according to testimony, most of the damage caused inside the buildings of the Polytechnic, had been the work of agents provocateurs before or even after the evacuation of the Polytechnic.

Thousands with cattle flee Kurdish war

Ankara, Oct 21.—Three thousand refugees fleeing from the Kurdish guerrilla war have crossed into Turkey from northern Iraq, officials said today. They added that the refugees, who had brought with them 100,000 cattle, sheep and goats, were camped at Semdinli, close to the junction of the Turkish, Iraq and Iranian frontiers.

In the past week the sound of distant shelling has been heard clearly in Semdinli as Iraq aircraft and armour launched a fierce assault on Kurdish rebel positions.

A well-informed source said it appeared the Iraqis were trying to cut the main rebel supply line to Iran.

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The loan exhibition continues in London until November 10, and from November 16 to December 14 it will be at the Hutton Gallery, University of Newcastle upon Tyne.

Colour television, I suppose, is the excuse for this new six-part series, dramatized by

It also perhaps does not help to have no less a figure than

That is, in short, a great deal of music to absorb, some of it too cruelly obfuscated for outsiders to appreciate. At first hearing the third movement, Preludes and Variations for piano and orchestra, the initial Prologue, and much of the Epilogue proved most attractive. For a Wagnerite the creative quotations both gratify and tantalize: how apt to end the prologue (much concerned with the first three notes of the opera) with a sustained, soft A minor chord—the unstated key of Wagner's prelude!

them all for breakfast was disconcerting. Ah, yes, but would the kiddies like the tale of sin and redemption set among the goats and crags of old world Switzerland? Heidi is, remember, a tale of sin and redemption. Her mother, you recall, was killed by a wildcat. Her grandfather thought when the sin was killed in an accident that it was a punishment from God and he had hated God ever since. Sounds a bit like Mr Faulkner's deep South or even Mrs Woolf's Athens, but there it is.

Anyway, I doubt if it will terrify the children like Basil Brush or *Planet of the Apes*. None of my boys liked it, but perhaps I should have a daughter to round out my merry group. Still, after watching Miss Blake's bawling about Heidi I'm not too sure about that.

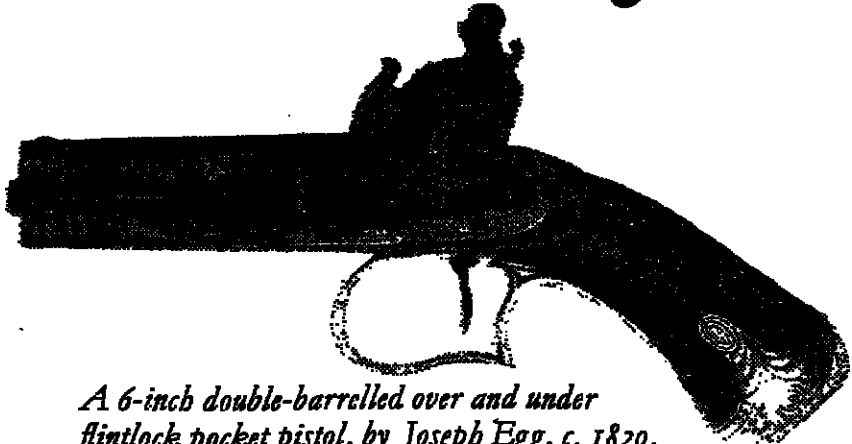
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grasp.

member, and his first appearance

La Fille mal gardée.

Last week at Sotheby's



A 6-inch double-barrelled over and under flintlock pocket pistol, by Joseph Egg, c. 1820, sold at Bond Street on 16th October for £920.

Sales of Arms and Armour are always an important activity at our Bond Street rooms. 1972 saw a Louis XIII flintlock antique long gun realise £125,000. In 1974 a 17th century tilting helm sold for £22,000. Both world records.

On the other hand, a set of spoonheads or a kindjal have been known to change hands for a modest £1. The 9 Arms and Armour sales held last season totalled over £1m. Of the 2,506 lots included, 1,403 sold for less than £200. The department handles

antique and modern firearms, armour and edged weapons from the 13th century onwards. Ethnographic and Japanese weapons are sold by their own specialist departments.

Annual subscriptions may be taken out for catalogues at a cost of £15.50 or, with post-sale price lists, £8.50 (U.K. prices only).

The next Arms and Armour sale, covered by two catalogues, takes place at 10.30 a.m. on Tuesday, 19th November.

You will find full details of all Sotheby's sales for this week on page 9.

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Simpson (Piccadilly) Ltd., London, W1A 2AS. 01-734 2002.

Fashion

by
Prudence Glynn



● Bottom: Fine lace evening dress with jacket by Frank Usher. About £75. Style 4588.

● Left: Italian trevira shirt dress with fringed scarf, by Anne Tyrrell at John Marks. £33.95 approx. Style 154. Embroidered chiffon dress with belt if desired by Janice Wainwright. £69 approx. Style 115.

● Below: Open crochet over-blouse with drawstring waist, together with hat, over a silky vest, by Crochetta. Blouse style 4593 £16. Hat £6. Vest style 4642 £8. All prices are approximate. Trousers with side button fastening by Mr Bennett £8.95. Style 2521.

Hooded cotton knit jacket edged with denim by Crochetta £15 approx. Style 4367. Trousers with front pockets by Mr Bennett £6 approx. Style 2527.

● All shoes shown are by Chelsea Cobbler, with news from them that as from next month a range of shoes manufactured in England will be in their shops, priced from £13-£15 for super designs. New shops now open within Kendal Milne, Manchester and Rackhams of Birmingham, with a spring-time opening at Bentalls of Kingston, Surrey.

Jewelry by Corcoran. Photographs by Willie Christie.



What matters in London

On Thursday this week the 6th London Fashion Fair opens at Grosvenor House, Park Lane. 150 exhibitors have taken space to show their new ranges of ready to wear for next spring and summer. Besides the main shows at Grosvenor House, top-end merchandise from "The Premier Fashion Group of London", such as Norman Hartnell and Marti, will be on view at 55, Park Lane, W.1. and there will be the chance to see a really bright bunch of younger talent grouped as the New Wave. They are showing at the Chesterfield Hotel, 35, Charles Street, Mayfair. The whole fair is sponsored, organized and sweated over by our Clothing Export Council, which during the past year has notched up a formidable number of selling projects, ranging from full-scale events to financial support such as its £5,000 contribution to the menswear show taken to Tokyo recently by John Packer, of Reid and Taylor.

The CEC is also involved in what to me is a most gratifying event scheduled for Bonn on November 7. This is a showing of designer fashion at the British Embassy through the kind action of our Ambassador there. Germany is just about our biggest fashion customer, and there is no doubt in my mind that the cachet of an Embassy party, which will be graced by that most elegant royal, the Duchess of Kent, not only adds enormously to the excitement and thus the buying interest generated by English clothing, but also reminds other countries that we now treat fashion seriously at the very top level.

Once more, with feeling, I bring to the attention of those able to implement my dream the incalculable advantage of a similar presentation in Paris. The director of the CEC, Peter Randle, is filled with admiration for the things Sir Christopher Soames has achieved in Brussels, whether he knows it or not, helped British fashion: Paris remains to be conquered, and now is a good time for attack.

The prices
For the first time for some seasons I concentrated on what I would call the bread and butter merchandise rather than the designer, prototype group, and once again I was greatly heartened to see that for quality and value coupled with ideas, the British can beat anyone.

What they are like for deliveries now, I am less sure about. But in very area of clothing, especially knitwear—though since much of that is made in Hong Kong it is, I suppose, only a half-British product—the prices are a fraction of those on the Continent.

The Imports
Last year we imported £333.5m worth of clothing. I have on



other occasions tried to find out why, when we have such a broad based industry, there should be gaps, and I come back to three main factors. First, imported merchandise can be kept exclusive to one organization, which gives a unique selling proposition. Second, exclusive goods can be marked up to carry a full, and I suspect in some cases very high, profit margin. Third, there is no doubt that we in this country have been very slow to offer the retailer the "package look" which is, after all, the essence of fashion today. Retailers are busy people, and sometimes I fear not too imaginative. I was interested to hear Phillip Samuels of Alan Paine briefing Kingston Polytechnic students who will take part in a design competition for knitwear and telling them that the design must be presented as part of a total look.

The Continental system, perhaps because there is a tradition of couture, and a couturier must be able to design everything, tends to present a garment or a whole group of garments which go together if the retailer wants them. In this country, with a tradition of specialist copying manufacturers, we tend to think still of every item separately and let

the shop (and the poor customer) try to put them together.

Exports
Last year we exported £179m worth of clothing, a stratos area being women's dresses.

Trendsetting
After their slightly supine beginning last season, the New Wave has reared a crest to justify the name. I thought the overall standard of the ten houses was excellent and my only regret is that once again the show is dominated by evening clothes. Carlos Arias's knits are lovely for any time of day (and a good match for Milan) and the evening clothes are the loveliest I still think from any country; but I regret that the work of Henry Lehr, John Ashpool of Knitting Inc. and above all Jean and Martin Falant, whose day clothes are unique, did not seem to be on view anywhere.

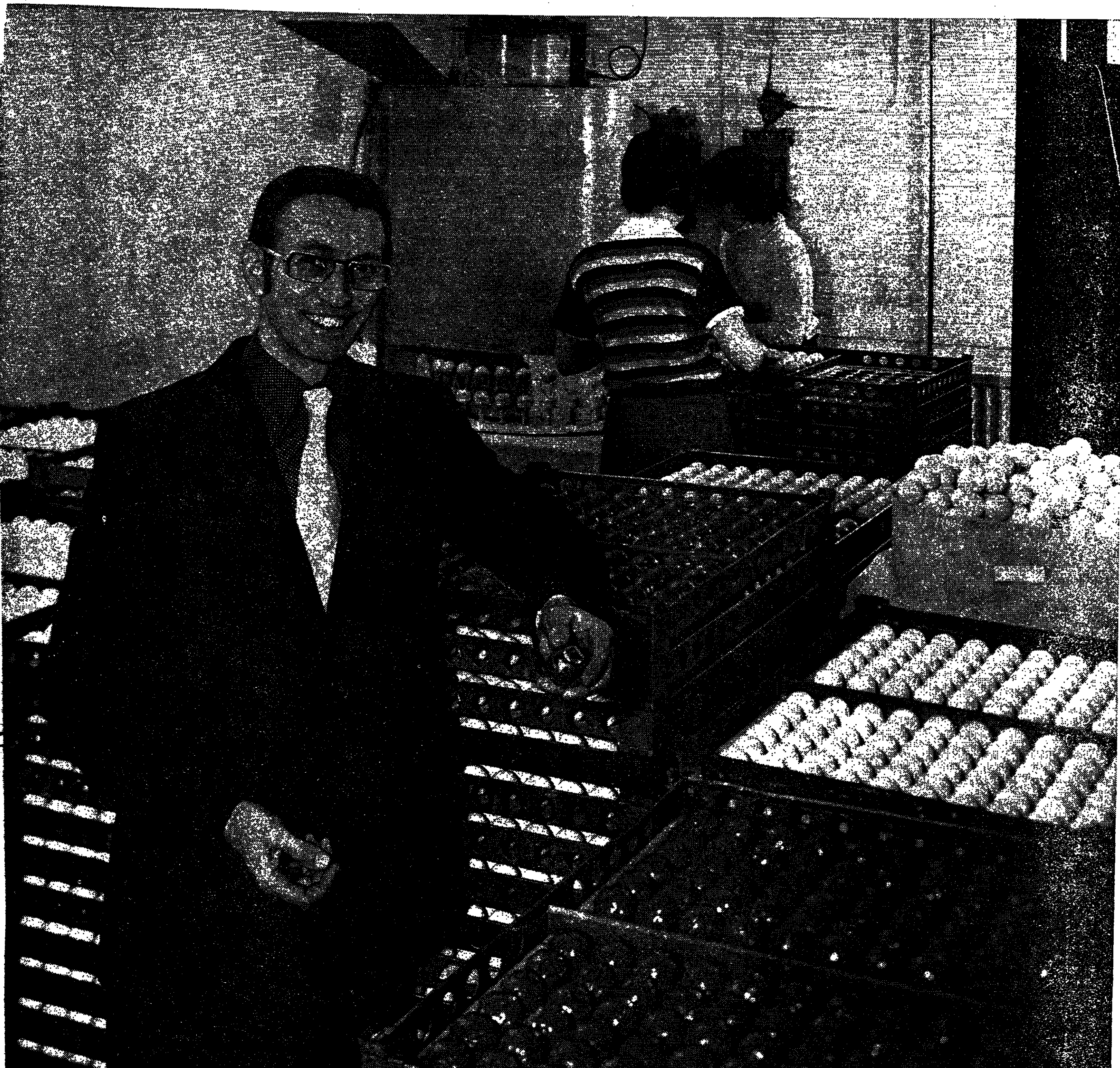
Servicing the buyers
The CEC is very receptive to criticism and makes a real effort to provide buyers with the easiest methods. I noticed in Milan that the 150 less prestigious houses were all tucked up in separate suites in the Hilton Hotel, where you could view the goods in comfort and privacy, discuss business, have a drink and yet not reveal all to your competitors. At the MAB at Harrogate, I hear, a complaint was that the acres of open booths provided only a shop window and that any approaches were met with an invitation to make a second visit, this time to an hotel room. The principle of "Come up and see me sometime" may be all right for Mae West, for busy buyers it is more likely to end in "This year, next year, some time, NEVER".

Churchill centenary



November issue, on sale now 40p

In celebration of the centenary of the birth of Winston Churchill, the 11th edition of the *London News* publishes a pictorial memoir about the man and his life, from his birth at Blenheim Palace on November 30, 1874, to the bluffs of the Churchill and the Atlantic Ocean. More than 100 photographs, many of them rare, and a wealth of text, including a foreword by Lord Boothby, the *News* and his time, by Martin Gilbert, the author of the definitive biography of Churchill, the *London News* is a must for all those who love Churchill and his country. The *London News* is a must for all those who love Churchill and his country. The *London News* is a must for all those who love Churchill and his country.



Trevor Huntley: "With the Northern Bank behind us, things are really swinging now."

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Trevor Huntley, Chairman and Managing Director, supplied management and sales flair. His associates supplied the technical knowhow.

"The operation has been an entrepreneur's

dream," says Trevor Huntley, "though I must admit that right at the beginning we ran on just a lot of faith in ourselves."

But in fact Top T Products had more than faith to run on. It had the vision and resources of Midland Bank Group behind it.

The Local Enterprise Development Unit in Belfast promised Trevor Huntley support if he could first convince his bank manager. So he took his idea to Jim Loughridge at

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Scottish nationalism now commands more than courteous boredom

When the elections of 1974 can be seen in somewhat longer perspective, they may well be remembered as much as anything for the resurgence of Scotland. A year ago when the Kilbrandon Commission published its report on the constitution the general British response was one of courteous boredom. The report was not even accorded the dignity of a separate debate in the House of Commons. Now the Government is falling over itself to produce an assembly as soon as it possibly can.

A year ago there was only one Scottish Nationalist member of the House of Commons. In February there were seven. Now there are 11 and there is no lack of Scottish MPs of the United Kingdom parties gloomily forecasting further slaughter next time. The future of Scotland has become not just one of the questions of the hour, but one of the challenges facing any British government for the next decade.

The election results in fact tell only part of the story, or rather they can be interpreted to mean too much or too little. The Scottish National Party gained rather fewer seats than it might have expected, but more votes than it had done in 1970. All the same, and apparently most of the votes were taken from the Conservatives. For years the Scottish Conservatives have been a vulnerable party, with weak organization and with too many of its MPs lacking deep roots among the people they were representing. They were ripe for challenge.

In addition to the support of dissident Tories, demonstrated by their own party, the SNP also picked up the votes of tactical Tories who concluded in many constituencies that the best hope of unseating Labour lay

in voting nationalist. There is a fair amount of evidence of such tactical voting. But before the SNP can make another spectacular advance, certainly before it can convince anyone that it speaks for the Scottish people as a whole, it needs to break through the solid Labour vote.

The SNP now stands second in 35 Scottish Labour seats, but Liberal experience in England has shown clearly enough how hard it can be to make the leap between being a presentable second and winning. The SNP has yet to show that it can win a Labour seat in a general election. These latest election figures offer a hope but no promise.

Yet to conclude that the success of the SNP has been no more than the failure of the Scottish Tories would be to ignore the evidence of the campaign and of the months preceding it. There were too many erstwhile Labour voters who were at least contemplating going over to the SNP to justify such an interpretation. It was the SNP to whom all the other parties, including Labour, were responding. Nobody who has known Scotland at all well for the past 20 years and more could doubt that a new spirit was abroad.

But this spirit was not as yet a swelling demand for Scottish independence. To assume that 30 per cent of Scottish voters now want to break away from the United Kingdom would be equally a misinterpretation of the election figures. The mood was essentially one of Scottish assertion. Time and again on the doorstep SNP supporters would express such sentiments as "Scotland has been held back too long"; "Scotland needs a better deal"; "Scotland has been held back by the English".

When asked whether they also wanted independence, which is after all the policy of the SNP, some would say yes and some would say no. But their responses mostly conveyed one impression in common: that they had not yet come to grips with that question.

To say this is not to suggest that they never will. The immediate effect of the current rise of Scottish nationalism may have been to frighten the United Kingdom parties into taking Scotland seriously. It has already prompted a number of concessions to Scottish interests and more are on the way.

At the present groundswell in Scotland is more than simply a surge of protest. There is a new confidence in the air, born of a loss of pride in the United Kingdom partnership. People who would never as yet call themselves Scottish nationalists are prepared to consider the merits of independence.

These changes in attitude are deeper and more subtle than anything that could be reflected in crude voting figures. But further changes are encouraged by every electoral success of the SNP, and there are three factors which may bring it additional success over the next few years.

The first is the prospect of increased unemployment. For a good many voters, this time in the Labour stronghold of central Scotland, there was the uncertainty as to whether it was more important to vote SNP for a better deal for Scotland or to support the return of Labour Government at Westminster.

There was the man in West Lothian who told me that it was the duty of all true Scotsmen to vote for the SNP. He would be voting nationalist then? "Oh,

no' me. I've always been Labour." Not so many people will always vote Labour, though, if there is much higher unemployment under a Labour Government—whether or not the Government is to blame.

The second factor is the EEC referendum. It is not just that it will give the SNP the chance to campaign on the popular theme of "take Britain out" while the other parties will be either striving to keep Britain in or will be speaking with more than one voice. There is also the possibility that England might vote to stay in while Scotland voted the other way. If that were to happen, it would pose the question more sharply than ever before: why should Scotland be dragged along on England's coat-tails?

Then there will be the effect of the assembly itself. Some leaders of the SNP believe that Scottish independence will be won through the assembly, not through the general election. One can see why. There will, in the first place, be a continual pressure for it to be set up before the Government can possibly have completed all the detailed preparatory work, much of which remains to be done.

Then there will be the complaints that the assembly has not been given adequate powers. If the members of the assembly believe this themselves, and particularly if they are supported in the belief by the opinions of their civil servants, one can well imagine a growing popular assumption that all would be well if only the assembly had sufficient power.

What then should be the English response to this upsurge of Scottish feeling? English interests can best be served by continuation of the United

Kingdom, so long as it remains acceptable to Scottish opinion. The proviso is important. It means that England needs to take Scottish nationalism more seriously than it has ever done.

The time is past when it was practicable to resist the pressure in the name of good government, or when a few gestures in the direction of constitutional tinkering could have sufficed. One of the blunders of the Scottish Tories in the election was to suppose that anything that could be called an assembly, even indirectly elected with inadequate powers, could meet the need.

If the assembly is to stand any chance of success it must embody a new relationship between Scotland and the rest of Britain. Its powers should therefore be determined, not on the basis of what is the least that might be politically acceptable, but on what is necessary to make this relationship work. Even with goodwill and imagination on both sides this will not be an easy task. What if it fails?

While the best outcome for England would be to preserve the United Kingdom with Scottish approval, the worst would be to insist on trying to hold it together against the settled conviction of the Scottish people. If they want to leave the United Kingdom they cannot be prevented.

All that a British Government would have the right, and duty, to be satisfied upon is that this was indeed the settled conviction of the Scottish people. There is no need to specify in the abstract how this should be determined. It is simply that such a profound constitutional change should never be based on an electoral accident, with for example an excess of tactical voting tipping the

SNP beyond some magic figure. It is the democratic wishes of the Scottish people, not a democratic fluke, that would need to be respected.

If it were to come to that, then it would be necessary to work out the closest possible relations between England and an independent Scotland. This would be essential for both, as the leaders of the SNP realize, even though a strong vein of anti-English sentiment can be detected among some of their supporters.

What the SNP wants is a British Association of States modelled on Scandinavia. This would not be an impossible task, though the SNP often does not seem to appreciate that the English and Scottish economies are more closely interwoven than those of the Scandinavian countries. There would also have to be an acceptable arrangement over North Sea oil if any British Government were to give its willing assent.

But the Scandinavian experience is relevant. Here are a group of countries with similar languages, cultures and attitudes who have established a much closer degree of practical cooperation than most people in Britain realize. Industrial trade, a common labour market, no passports for travel between them, similar laws, continuous consultation at all levels.

If Scotland were to insist on leaving the United Kingdom then we should have to try to create a British Scandinavia. It is not a prospect to be sought for its own sake, but it would be better to have two independent countries eager to cooperate with each other than two partners forever quarrelling within one union.

Geoffrey Smith

Hollow ring to Dublin's fine words on Ulster

Belfast, Oct. 21

At the Irish Labour Party's annual conference in Galway last weekend, a reporter asked Mr Brendan Corish, the Labour leader and deputy Prime Minister, what his Government was doing for Northern Ireland.

Well, said the Minister, he and his colleagues still wanted a restoration of executive power sharing—a hope which most politicians in the north have already abandoned—then he went on rather circumspectly: "I don't think we should just sit back and do nothing."

The irony of his reply lies in the general conviction among both communities in the north that the Irish Government has done little but sit back and do nothing about Ulster since it was elected 18 months ago.

Several Dublin Ministers, including Dr Conor Cruise O'Brien the coalition's Northern Ireland spokesman, have defended Government policy at Galway, but the necessity of a return to moderation, about the evils of the IRA and the dangers of angering loyalists before the Northern Ireland Convention elections.

All this is genuine enough stuff; indeed it can only be of help to Westminster which can do without interference from Dublin while Mr Merlyn Rees, the Secretary of State, tries to prevent such British policies as are left from being sucked even further into the Ulster bog. But the Irish Government has projected not only to northerners but to Irish people as a whole the image of a frightened, indecisive administration, occasionally emitting sound and fury for the benefit of the press but generally preferring the consequences of silence to either watchful action or no action at all.

In short, it seems to have no coherent policy towards the north—an expedient which presumably operates on the principle that if you say nothing you cannot be condemned by your own people.

It is true that the coalition achieved power in Dublin because it realized that the electorate was more interested in bread and butter issues—the rising cost of living, industrialization, the benefits of the Common Market than in Jack Lynch's assurances that he would keep the Republic free from violence. But from the start there have been few politicians in Belfast who have taken much comfort from Dublin. Take security for example.

The Irish have made much of their tough attitude towards the IRA. Their special courts certainly lock up the Provisionals but the border is by and large as dangerous as before and the IRA is genuinely contemptuous of the authority of the security forces. In the south, the IRA has been active in the past few months, the Irish army and police arrested dozens of men near the frontier in the largest raid of its kind by the security forces in the Republic. The action occurred only hours before Mr Brian Faulkner, then the Ulster Secretary, was to try to keep the support of his Unionist Party.

Yet now even the cross border court system proposed at Sunningdale is running into trouble. Men caught south of the border could be tried for offences committed in the north, according to the report of a joint legal commission. But when the Bill to enact this comes before the Dail this session it is to be opposed by Fianna Fail, and even Government officials are now admitting that there might be some "legal problems" about its enactment.

What happened, too, one might ask, to those "vigilantes" which Mr Cosgrave, the Prime Minister, told us all about last spring?

A civilian force of thousands would be set up in every town and village of the Republic to watch out for car bombs, he informed the Dail. Yet even the police check points in Ireland have been declining in number these past few weeks and not a vigilante—not even one—is to be seen on the streets. Government say the force will still come into being, but it does

not exist now and Mr Cosgrave's announcement served only to strengthen loyalist demands for a home guard in the north.

Politically, things looked rosier for Mr Cosgrave at Sunningdale. He got on well with Mr Heath but Irish officials said privately only a few weeks later that—with the Council of Ireland promised by the new executive—Dublin had probably been too greedy.

They also suggested that Mr Heath had belittled Mr Faulkner's Unionists behind the doors of the conference room and forced him to accept an Irish dimension against which his supporters would rebel.

The loyalist strike last May proved this to be correct. Nonetheless, even when the executive began to run into trouble last spring, the Irish Government still insisted upon a Council of Ireland; until, of course, the Catholic party in the north agreed to water down the proposal.

There was Ulster Protestants found out, to be no abolition of articles 2 and 3 of the Republic's constitution which claims sovereignty over Northern Ireland. Mr Cosgrave solemnly read a statement to the Dail to the effect that the province really was part of the United Kingdom but there was to be no referendum about it. Mr Cosgrave did suggest a poll on that very point but swiftly retracted when Mr Lynch bared his teeth.

Moderate Protestants in the north, however, just might have been persuaded to act in a less hostile manner towards the south if there had been wide spread social changes there.

There was a possibility that the Irish Government has allowed the sale of contraceptives, this might have had some effect on loyalist opinion north of the border. The coalition actually brought in Bill B such effect; then acting upon conscience, Mr Cosgrave voted against his own Government and the Bill collapsed.

Dr Garret FitzGerald, the Foreign Minister, has gone so far as to tell the Irish, as he did in a speech at Co. Galway last Friday, that any movement towards normal north-south relations—let alone national unity—must be preceded by the repeal of the development of Ireland's laws and constitution under Catholic Church influence.

To a certain degree he said it was the Irish who had partitioned their country psychologically. If this seems an impotent comment, then it should read again in the south. In a memorandum of 14 August in which he told the Irish Labour Party that the policy for the present was to do nothing less than northern loyalists were angered.

Perhaps the key to the curious policy of bold statements and inaction lies in a speech Mr Cosgrave made at the end of the spring. It attracted much comment at the time and prompts some Catholic politicians in the north to claim that they have been betrayed. Violence in Ulster, Mr Cosgrave said, was killing the desire for unity among the Irish in the Republic.

What this meant then, even in terms of the desire for national unity has probably never been fragile within an Irish Government. Occupied with negotiations over the Green Pound, Government stakes in national resources in state involvement in industry, and in the effort to offset the effects of British inflation, Mr Cosgrave and his men have much better and less disturbing tasks than the settlement of the north.

To many in Dublin this is a weak stand for their Government to adopt; to ministers it is a sensible one. And to those British it is the most convenient. To the next generation of Irishmen it will probably look pretty miserable.

Robert Fisk

The day the judges took an extra helping of power

Bernard Levin

It will, I think, be widely agreed that my breath is not easily taken away by Her Majesty's judges. They have, however, now managed the feat by their conduct—Messrs Widgery, Milmo and Ackner up—in the case of Paul Foot and the Socialist Worker.

It must be said that, however little credit the judges emerge from the case with, Mr Foot's own behaviour, in publishing the names and addresses of the witnesses in a blackmail case, was deplorable and indefensible. It is true that his action was not as reckless as might have been gathered from the judges' strictures upon it; he published the names because of what he felt about the nature of the charges and prosecution evidence, and also because he realized that strict application of the practice of anonymity would offer a great temptation in the future for false allegations of blackmail to be made by witnesses, or potential witnesses, seeking protection from publicity. All the same, there is no gainsaying the force of Lord Widgery's summary of the reason for the practice:

"The real vice of the publication... can be judged only by imagining a person suffering blackmail who was trying to set up a court case to go to the police. The person is cheered if he sees in the paper that people are only referred to as Mr X and Mr Y. But if he sees the next day that the names have been published he will say to himself: 'Even the judge cannot protect me.'"

On the other hand, nulla

poena sine lege. It is one thing for judges like Lord Widgery and journalists like me to say that Mr Foot should be ashamed of himself. It is quite another for the judges to impose a penalty which not only has no serious foundation in law, but which the judges themselves seemed quite unable to support, in the course of the trial, with anything but a determination that conduct they found reprehensible should be punished. This is no time to be mealy-mouthed: a careful reading of the proceedings seems to me to show plainly that the judges found, to their understandable astonishment and well justified dismay, that no law existed under which conduct such as Mr Foot's could be prohibited if the individual was determined to flout the undoubtedly existing practice, and that they thereupon created enough law to stop up the loop-hole.

To start with, there was clearly no doubt in the mind of the trial judge that his ruling about disclosure of names did not go beyond the proceedings themselves. In the first of the two linked trials (and it is no use the Queen's Bench judges replying that only the second trial concerned blackmail, for their judgments treated the two trials, for all the purposes of the Foot case, as one) Judge King-Hamilton—and I quote his exact words from the official transcript—said, turning towards the press seats as he did so:

May I say before the jury comes in, that if by accident any counsel

happens to mention the name of a witness other than the one named here—that I have no jurisdiction over the press—but I hope they will not mention the name if it slips out accidentally as sometimes it [sic] does happen.

The trial judge gave no ruling at all on this point in the second—the blackmail—trial; he clearly believed that his writ did not run outside the court in either trial, and most certainly did not give any direction to the press. His only direction, which came by implication with his formal acceptance of the ruling (given at the request of the Director of Public Prosecutions before the magistrates) that witnesses should be referred to by letters, was to those actually participating in the proceedings, so that they would not, as counsel, say or witness, who deliberately disobeyed his implied ruling would have been in contempt of court.

It was therefore necessary for the High Court bench to find that Judge King-Hamilton was mistaken in his belief that concealment of witnesses' names was no more than an act of voluntary self-discipline by witnesses.

Here they were in a double difficulty. In the first place, they could hardly punish a defendant for accepting the trial judge's unambiguous statement that he had "no jurisdiction over the press". The whole, in fact, was that a layman is entitled to assume that a judge at the Old Bailey has got the law right, and to act on that assumption. The judges in the Foot case tipped delicately round that problem by coolly declaring that if a direction had force within the court but not outside it, it would make use of the protection that such a direction was supposed to afford. So they decided it would be the judges' office is—or

rather is supposed to be—*ius dicere*, not *ius dare*. If the law is defective they are entitled to draw attention to the defect and demand that it be remedied; there is no provision in our constitution for the amendment of the law by judicial fiat, and it will be an evil day when there is.

The second, and much greater, difficulty, faced by the Queen's Bench judges was the fact that, search though they might, they could find no authority to support the prosecution's contention that revealing the names of anonymous witnesses was contempt of court. Indeed, Lord Widgery, addressing Crown counsel, expressed surprise that the prosecution had been unable to find even a single case to give the practice what he called "an aura of respectability", and Crown counsel had to agree that this was indeed the case.

The difficulty they solved with the dubious aid of the case of *Attorney-General v. Butlerworth*. The analogy was almost comically inapplicable; in that case, a commercial matter which had nothing to do with blackmail or the concealment of identity or the protection of a complainant from unpleasant consequences, an act of deliberate victimization had been carried out against a witness who had given evidence displeasing to the side which he had joined. Lord Denning had said (obiter, incidentally) that such victimization was contempt even though it had taken place after the end of the court proceedings. In Foot's case there was no shadow of a suggestion that he had been victimized in the Butlerworth case, taken any extra, subsequent, action against the men he named; indeed, his description of their behaviour was simply reproduced from the trial proceedings.

But if their Lordships were on weak ground in holding that Mr Foot's action was contempt because it was "a clear and deliberate affront to the court's authority" (an authority, remember, which the judge was himself supposed to have no jurisdiction over the press) their decision that what Mr Foot did was also, and quite separately, contempt because it was "an act calculated to interfere with the due course of justice", rested on no ground at all.

In the course of the proceedings, Mr Foot's counsel raised the situation of women who claim to have been raped. It is generally agreed that the pain and humiliation suffered by a woman who has to describe her own rape, and be cross-examined on her evidence of it, is not only dreadful in itself, but a powerful deterrent against complaining, to other victims of the same crime, since they are not accorded the protection of anonymity available to witnesses in a blackmail case, though many of them quite certainly deserve it more. It was argued for Mr Foot that the inability of the courts to offer rape victims such protection was evidence that they had no enforceable power to offer it, and that it therefore followed that they had no such power with blackmail victims either. Lord Widgery obligingly tied himself in a knot before throwing himself into the pit of his own devising, when he said that the court was not discussing rape but blackmail, so they should stick to blackmail "however illogical that may be". But then, in his judgment, he said this:

"The complainant in rape has never, up to now, been recognized as being entitled to this protection. If it is now to be given, it would be more appropriate for it to be given by Parliament than the courts."

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to a witness in a rape case, legislation is no less required to provide it for a witness in a blackmail case. Or, conversely, if the judges are right in holding that the courts, despite Judge King-Hamilton's disclaimer, can prohibit the publication of a witness's name in a blackmail case, then they can equally prohibit such publication in a rape case.

The nub of the judges' difficulty lay in Lord Widgery's reference to the claim by Mr Foot's counsel that the judge had no authority in law to give a direction binding on the press. It was "hold contempt" were right, said the Lord Chief Justice, "the whole basis of contempt would go". So indeed it would, and a lamentable state of affairs that might be. But the remedy for that is, and must be, in Parliament's hands, and there only. The shocking decision of the House of Lords in the *Laditsky* case, which amounted to a ruling that their Lordships, and not Parliament, would decide what conduct was illegal and what was not, could be said to have done no more than make explicit much that had previously been implicit in the present behaviour.

The present case takes that doctrine further. In my view, Paul Foot did grievous wrong, and his behaviour deserves punishment. But if, as I believe to be the case, there was no law under which he could be punished, the hard truth was that he should not have been, and Parliament had to ensure that nobody in future should be allowed to do with impunity what he did. What has happened, in fact, is that the judges have stretched the law to accommodate behaviour which they felt—and which, indeed, I also feel to be disgraceful. I also feel that judges should stretch the law, and I think that we would all do well to ponder the implications of their action.

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The Times Diary

Keen for a humorous hagiography

physical violence as a political weapon, but he is not above breaking a bit of law. Last December he helped to flypost the TUC's London headquarters with anti-Communist slogans and was fined £5. In February, 1973, he circled a Russian cruise liner in a 60ft launch as the liner sailed up Southampton Water. The launch was covered in anti-Soviet posters and Keen broadcast slogans. The passengers and crew could not hear what he said because they were being fed with marches and traditional Russian music.

Keen promises that he will not stint on expenses, but he is not likely to be lavish either. "I'll pay rail fares, of course. Second class. I always travel second class. Sir Keith Joseph should travel second class and then he would meet the ordinary people."

Keen likes to call himself a moderate Labour-cum-Liberal-cum-moderate Tory. He also likes to laugh—hence the emphasis on humour in the advertisement. "I couldn't go through life without a jolly good laugh each day. You can't live without humour, can you?"

Rich

Stephen Birmingham, who is in London to launch his book about the rich Irish Americans, *Real Lace*, earned some notoriety about a year ago with a book called *McColl's* magazine. He said that Princess Margaret and Lord Snowdon had decided to go their separate ways. He was unrepentant about it at his publishers' party yesterday.

"I did not say they would get divorced," he said, "only that it had been discussed. He was not home for her birthday before the article was published, but afterwards they came to the Kentucky Derby together and made every show of being very close. You might say I saved the royal marriage."

Birmingham's previous books, *Pur Crowd* and *The Grandees*, were about America's rich Jews. The Irish he

Peter Ferner of Sale, Cheshire, photographed this piece of cruelty to buses at the intersection of M63 and M56.

Another speech like that and he'll have to find a seat in Northern Ireland...

The most eccentric is the up-right grand made by Clementi in 1816. It stands nearly nine feet high and was rediscovered in North Wales full of old coins and coal. Cost reared to life, including the convenient book-cases incorporated in its insides.

The programme played on it will include, apply, the Clementi suite from *Gradius* and *Parnassus* and Clementi's arrangement of *Man of Harlech*.

Another truly grand piano is the Tomkinson, designed for George IV in his Royal Pavilion, Brighton, and included in one of Nash's illustrations of the Pavilion. It is inscribed "For

Hat trickery

Harvey's of Bristol are holding a competition to find the best translation of "Hat trick" into the language of the civilized world. The object, apart from encouraging the civilized use of words, is to win a prize for the best translation. The prize is a bottle of Pilsener beer. The competition is open to all who can translate "Hat trick" into the language of the civilized world. The prize is a bottle of Pilsener beer. The competition is open to all who can translate "Hat trick" into the language of the civilized world. The prize is a bottle of Pilsener beer.

Grandstand

Some of the grandest grand pianos ever tinkled will be played by Malcolm Binns in the Queen Elizabeth Hall on Thursday night. They come from Mick Col's (of Colton's) collection of 130 nineteenth century pianos, and have never been played in public before.

Hat trickery

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BIG CLAIM FOR A BAD YEAR

The famous 100 per cent claim of the building workers is now not exactly alive and not exactly dead. Asserted in June by the conference of the principal union in the industry, and tactfully deferred till next summer during the election campaign because of its gross incongruity with the intentions of the social contract, it has now been plunged into a haze of computations which for the time being may protect the union leadership from the protests of their own left wing on one hand and Mr Len Murray on the other. It would have been openly cynical to have revived the claim within two weeks of the election. But it has not been abandoned, although it now has the appearance of a demand to be met when the existing agreement expires in November rather than of a future aspiration. What is being asked for now is rather less, though still a great deal. It amounts to far more than the consolidation of threshold awards and provision of some further comparable safeguard against inflation, which was what the union proposed before the election as a claim to tide it over the winter.

It is quite obvious that no expensive claim could be met. The industry was in a bad way a year ago, is worse off now, and has every prospect of being in an even worse state six months hence. A recent survey by the National Federation of Building

Trades Employers shows that nearly half of its members are already working at three-quarters of capacity or less, and that nearly two-thirds expected 1975 to be so much worse than 1974 that they would have to lay off men. The building trade is always more responsive than most to fluctuations in the economy. Because it contains many small firms with inadequate reserves of capital, hard times always cause numerous bankruptcies. More bankruptcies and more unemployment are sure to occur in the next few months.

The inordinate demand has been pursued not from a desire to throw more building workers out of work, nor from overweening misuse of strength by a powerful union. The story is rather one of the pressures and confusions that afflict an industry where unions are weak and the bargaining structure is fragmented. Only a third of construction workers belong to a union at all. The rates that are actually paid vary enormously between one firm and another, and between good times and bad. National pay supplements and site bonuses can (or could last summer) bring workers up to or beyond the levels proposed before the election—87 per cent for craftsmen and 107 per cent for labourers above the basic rates fixed two years ago. The left-wing Building Workers' Charter group already has a lot of support, and the union leaders fear that it would gain still more

if the original claim were not pressed.

In addition, there is the problem of the lump, the use of self-employed subcontracted labour. Workers on the lump can, in good times, earn much more than regular rates, and often avoid paying their full tax and insurance (although of course they also lack the security of being regularly employed). The arrangement can be harmful to standards of work. It is keenly resented by other building workers, and the knowledge of what a worker on the lump can earn is the chief motive force behind the demand for a gigantic pay increase. Signs of a more urgent intention on the part of the Government or the TUC to bring the abuses of the system under control would be enough of themselves to take some of the pressure out of the situation.

The building employers will make their reply next month. The existing provision of bonuses and special payments gives some scope for rationalizations that would make it possible to raise the basic rate. But many smaller firms will have no hope of offering wage increases and reductions in hours on anything like the scale that even the revised offer demands. Many building workers must be perfectly aware of the constraints, and the risks, of the present state of affairs, and will not be expecting an unrealistic outcome. It will be up to the TUC to instil a sense of realism into the negotiators as well.

WHERE EQUITY AND SYMPATHY CONFLICT

Should thalidomide children be liable to income tax on the income they receive from the trust created by the Distillers company following the settlement reached with the parents and confirmed by the courts? If not, then it must be argued either that the authorities' interpretation of the present law is wrong or that the law itself should be changed.

The sole duty of the authorities—and it should be noted that in this case this means the Inland Revenue, not the Treasury, although the revenue departments are responsible to Parliament through Treasury ministers—is to apply the law as it stands and as they believe it should be interpreted. They have no discretion outside that duty. Their interpretation can be challenged in the courts, although, as Lord Goodman has pointed out in another context, this process can be so intolerably expensive as in practice to erode some of its value as a bulwark of personal liberties.

Before the public rushes to the conclusion that some misanthropic fiend in striped pants is seeking to oppress the thalidomide children, some facts need to be borne in mind. Of the £14m which will be paid into the trust for these children by the Distillers company about £7.28m will in effect be paid by the taxpayer through relieving Distillers of corporation tax on the profits from which the payments are made, at present at a rate of 52 per cent. If the income from the trust were also relieved of tax, he taxpayer would be contributing twice over.

Secondly, there is no question of taxing the £14m. It is the income from that sum which will be liable to tax when it is paid to the children—and even then not at the rate of 48 per cent, as has been suggested, but at rates related to the personal income circumstances of each child, on average probably about 20-25 per cent, or eighty per cent will be deducted by the trust when it

pays out the income; but the children or their representatives will then be able to claim back the difference from the Inland Revenue.

Thirdly, there is no difference here from the treatment of the income from the investment of a lump sum paid in compensation or damages for any other reason. Parliament has exempted from tax certain state benefits paid out of the National Insurance fund, including industrial injuries benefits and war disability pensions, presumably on the ground that it would be illogical for the state itself to give with one hand and take away with the other. There is no analogy with income from a private trust.

Fourthly, the belief on some legal advice that income to the thalidomide children from the trust might not be liable to income tax apparently rested on the hope that the trust itself would be regarded a general purpose charity. For, the law has been clear for some time that income from trusts for the benefit of identifiable individuals is liable to tax. It seems to have been an over-zealous view. Moreover, the Inland Revenue more than once made it clear that they could give no guarantee that the income from the thalidomide trust would escape liability to tax.

So, subject to any appeal to the courts and to what they may decide, it appears that, if the thalidomide children are to escape paying tax on their income from the trust, the law will have to be changed. It is a thoroughly bad practice to write specific privileges for particular individuals or groups of individuals into the general tax law or indeed into any law. If the thalidomide children are to be exempted, it must be because they exemplify some general category whose entitlement to special consideration rests on some intelligible general principle.

The obvious category to which these children belong and which

might be argued to deserve special consideration is that of disabled people receiving income by way of compensation for their disability. Indeed, Mr Jack Ashley has made it quite clear that he intends to campaign for immunity from tax liability for precisely this general category.

Parliament will need to consider this carefully. The claims of this category of people on public sympathy and help are obvious. But there are contrary considerations. Is tax relief, which always has the unfortunate effect of giving the greater benefit to those with the greater incomes, the best way of augmenting deficient disabled incomes? Is it really right to exempt from tax the compensation incomes of disabled people without exempting the ordinary incomes of disabled people who for whatever reason are not receiving any compensation?

The plight of the thalidomide children has rightly aroused the deepest public sympathy and concern. Their parents suffered additionally from the length of time it took to settle the financial arrangements for helping their children. And they may have suffered yet again from having their hopes falsely raised about the tax position of their children's incomes from the trust.

But none of this would justify the hasty introduction of new anomalies into the tax law. There may be some general and defensible principle on which the income of very severely congenitally disabled people, or even of disabled people at large, can and should be relieved of tax. But Parliament owes to the potential future victims of new anomalies, as well as to the general taxpayer, to investigate the question calmly and thoroughly. This would be best done through the mechanism of a properly staffed Select Committee on the question; and it could hardly escape examining the social security arrangements for disabled and handicapped people as well, since these are an integral part of the same subject.

TRYING TO SAVE THE PARTY HE LOVES

ritons will feel a twinge of sympathy for the Americans, who have to go to the polls on November 5 to elect a new House of Representatives, a third of the Senate, and thirty-five governors. Even at the best of times midterm elections do not stand high in the list of enjoyable or unmitigated activities, and these are not the best of times. In the United States, as in Britain, there is disillusion with the state of affairs and the type of choice at issue. There are also questions about whether such frequent elections really serve to keep the system in a state of constant renewal or whether they sometimes mitigate against long-term policies, such as conserving fuel, which are not immediately popular with the electorate.

Even the prospect of new blood entering Congress is not injected much excitement to the election. Everyone is preoccupied with inflation, now running at 11.2 per cent, but, as in Britain, no party thought to have a convincing answer. The main issue, therefore, is whether the Democrats will gain two-thirds majorities in both houses and thus be in a position to override presidential vetoes. On present evidence they achieve this in the House of Representatives but probably not in the Senate. If against all

would be an extraordinarily severe blow to President Ford.

To a limited extent, therefore, the elections are a test for the President and are all the more significant because he himself has no direct electoral mandate for the office he holds. A few weeks ago he could have expected to revive the flagging fortunes of his party. Mr Nixon had become a severe liability and there was enormous relief among Republican candidates when he resigned. President Ford's clean new image seemed likely to save them from the massive defeats that they had feared. But his decision to pardon Mr Nixon and to grant him many of the funds and privileges normally accorded to ex-presidents has changed all that. In trying to sweep Watergate out of the way he has picked up some of the dirt himself.

This has made even more controversial his efforts to campaign on behalf of Republican candidates. By his presence alone he brings a damaging national issue into campaigns which many candidates would rather fight on their merits as local politicians. He also puts some of his own prestige at stake in a contest which will inevitably end in substantial Republican losses. Even if he manages to reduce these losses it will not be exactly a famous victory.

More important, and potentially more damaging, he is committing himself to partisan politics at a time when he desperately needs Democratic support in Congress—and will need it even more after the election—and when the country is not in the mood for them. The long agony of the Nixon Administration and the revelations that it produced have soured many people's feelings about Washington, and the growing economic crisis, which is beginning to impinge on public opinion, demands either bi-partisan policies or a clear and comprehensible choice. The present election campaign is in danger of offering neither.

Republicans therefore have a tough road ahead of them if they are to make a convincing bid for the presidency in 1976. The idea of not nominating President Ford, assuming he still wants to run, is almost inconceivable by the normal conventions of American politics, and it is still highly unlikely, if too many Republicans start looking around for someone to blame for their defeat. It would be an unhappy reward for the party loyalty he no doubt feels he is showing by leaving his White House desk and hitting the campaign trail in such difficult times.

British Caledonian's future

From the Chairman of British Caledonian. Sir, various comments have been made recently regarding British Caledonian Airways' discussions with the Government and the Civil Aviation Authority on the rationalization of routes between the two carriers. I want to clarify the situation.

Rationalization means more logical route structures and other arrangements leading to mutually beneficial economies for both airlines in the light of adverse factors currently affecting the international air transport industry as a whole. British Caledonian has consistently advocated and supported sensible route rationalization for a considerable period.

The Civil Aviation Authority and the Department of Trade in January of this year encouraged the two carriers to commence discussions on the subject. The talks between the two carriers continued through the summer. They were constructive and both sides put forward suggestions. In September British Airways advised British Caledonian they wanted more time to consider this important matter. I would emphasize that there was no substantial difference or impasse between the two airlines on the facts as exchanged. It was about this time that the full extent of revenue shortfalls affecting all airlines on certain routes (including the North Atlantic) were becoming apparent, the maximum effect applying to July, August, and September.

By then we had felt the effects of the Horizon collapse, worldwide inflation, and extra fuel charges, etc. The emerging picture of revenue shortfall and massive cost increases made it clear that as responsible management we could not contemplate the continuance of costly development which would have led to some financial difficulty in 1975, as opposed to a reduced and viable operation.

Therefore, in simple terms, we have had to self-administer a dose of preventative medicine not yet taken by many other airlines experiencing the same industry problems. A period of "consolidation" appeared to expansion was clearly needed.

However, bearing in mind the interests of our shareholders, our staff and British Caledonian as a total entity, management felt it had a duty to approach the Government and the CAA to determine if rationalization discussions with British Airways could be more speedily concluded, giving a better alternative to the consolidation course.

If this alternative had been accep-

ted by British Airways and endorsed by the CAA and the Government, then a short-term, financial "bridge" might have been necessary—dependent on the level of any rationalization agreement—and this would have cleared the way for the Government.

Obviously, under the above circumstances and bearing in mind that a general election took place during the discussions, there was very little hope indeed of such a large question as this being satisfactorily concluded.

Our "consolidation" plan was constructed in great detail and approved by the authorities, our bankers and others closely involved with our financial arrangements. At no time did BCAA seek financial assistance from the Government, our shareholders, our bankers or from any other party in order to implement our "consolidation" plan for which we have ample resources.

I have no quarrel whatsoever with British Airways over the conduct of the route rationalization discussions. Over the past few years British Airways and British Caledonian have worked very closely together on a number of international airline negotiations. In fact we have co-operated to the full on matters of common interest which benefit British aviation as a whole. We have, and no doubt will continue to have, different policies in other areas and as responsible management we shall inevitably press our own viewpoints.

We shall always object to the CAA if it feels that any organization, whether State controlled or privately owned—is adopting policies which we regard as harmful to British Caledonian or the industry as a whole.

Of the four largest negative factors to affect British Caledonian—namely fuel cost escalation, market shrinkage, Horizon's failure and the devastating effects of the three day working week—we could have withstood up to three of them and continued with the airline's programme of development. But all four contrived to require the consolidation for next year.

Finally, I would say this: British Caledonian as the private enterprise flag carrier has been required to stand or fall solely by its own efforts.

There are 4,346 people in the airline who are determined to ensure the stability and future development of the airline. I am fully confident that together we can achieve our objectives.

Yours faithfully,

ADAM THOMSON,
The Chairman's Office,
British Caledonian,
London Airport—Gatwick,
Surrey.
October 21.

Future of Namibia

From the Bishop of Damaraland in exile and others.

Sir, Your correspondent reports the view in Johannesburg that South Africa is preparing to get out of Namibia "in a hurry". In July, the UN Commissioner for Namibia, Mr Sean MacBride, told a London reception that Namibia would be independent in "one to three years". Since then Mozambican independence has tended to confirm that prediction and has added to, perhaps catalysed, all the other factors for Namibian independence to create the view you report.

We may add further the decision of the pro-government SWA National Party to seek agreement with the black population on the constitution, and the South African Government's apparently unsuccessful attempt to contain the liberationist SWA People's Organisation by inviting them to participate in a forthcoming "Bantustan" election in Ovamboland.

In this changing situation, the point of Her Majesty's Government must surely change. Mr Callaghan stated clearly at a press conference to launch the Labour election manifesto "We have accepted the general conclusions of the International Court of Justice on this issue", perhaps foreshadowing the revisiting of the details of policy towards southern Africa on which the Foreign Office have

been engaged for so many months. The Government must in any event now make clear its new policy, and it can do so merely by a statement from our representative to the UN General Assembly that Her Majesty's Government accepts the advisory opinion of the world court.

When this is done we will, in the first instance, cease to be, with France, one of the two remaining UN member states upholding the mandate, terminated by the UN in 1966, a mandate which South Africa itself long ago repudiated. More important, we shall have started the process of ending this country's shameful role as the major support for South Africa's occupation of Namibia. It may still be possible to build a healthy relationship with the Namibia of the future.

There can, of course, be no glory in such a last-minute conclusion of the Namibian people on the eve of their independence, when we have for so long sided with their oppressors. The longer we delay, however, the greater the damage to our reputation throughout the world.

We have the honour to be, Sir, Yours faithfully,
COLIN DAMARALAND IN EXILE,
THE REV MICHAEL SCOTT,
MARGARET LEGUM,
ROGER MURRAY,
NEVILLE RUBIN,
RANDOLPH VIGNE,
Friends of Namibia,
21-25 Tabernacle Street, EC2,
October 12.

Subsidized theatres

From Mr Robert Morley.

Sir, When the British Government started to subsidize the National Theatre its aim was to create, partly by patronage and partly by administrative "know-how", a civilized theatrical climate in our midst. It offered a helping hand and if necessary a kick in the pants to a section of the cultural community of the land which it felt was in danger of falling behind the acceptable norm. It looked abroad at other successful National Theatre schemes and decided to try to do likewise. Germany has always had a nationalized theatre so to a lesser extent the French and in the range of opera the Italians. Why not the British?

Well why not us? For a number of years thanks largely to Olivier (and it must be noted his advisers including the Eminence Bleu Tynan) all appeared to work like a dream. The National and Stratford Companies not only flourished and were full, foreigners flocked to Britain to see and applaud.

Tourists came to this country because of the theatre, and side by side with the state-subsidized burlesque spread all over the country albeit thinly, the commercial theatre started to pick up even to gain some measure of kudos itself from the cognoscenti, the theatre buffs. In theory at least theatre-going is infectious: once the public have enjoyed themselves at one theatre they will seek out another. As long as they can enjoy themselves, and there can be little doubt that in the formative years of the National they enjoyed themselves hugely.

But in the past two or three years at least three of the London subsidized theatre companies, the National, the Shakespeare and the Royal Court have become the directors' rather than the public's playthings. Plays were chosen and mounted which were deliberately aimed at shocking the bourgeoisie and most of them succeeded in doing just that.

The theatre alas is no place to mount a crusade, the public when the curtain falls are not prepared for a holy war, they are thinking of getting home and going to bed. They know there is very little they can do about private censorship and they are grateful for the fact. Rail against them, insult them, belabour them in print, confront them with protest, they will step cautiously aside and with an embarrassed glance hurry on to catch the last bus.

Suddenly the new National Theatre under its new director is brought up sharp with the realization that the new site of the South Bank will be needing twenty-five hundred patrons a day to remain viable. For most of the plays the Court Theatre has in mind to do you can find twenty-five patrons a night. There are only so many committed theatre-goers. Committed to what, you may ask? I suppose the answer is committed to paying attention, committed above all to being committed. The rest are committed to mortgages, motor cars, and members of their own family.

The theatre as most have reminded us, remains a fabulous invalid—it is not exactly dead and it's not exactly alive. It holds on cheerfully, resisting alike the efforts of the pornographer and the charity commissioners to finish it off. Between Paul Raymond and Paul Scofield there is considerable divergence of taste. Both cater for the public. Arts Council stop picking and choosing, acknowledged entertainment is a wide field, and play it across the boards.

Yours faithfully,
ROBERT MORLEY,
Fairmans, Wargrave,
Berkshire.
October 21.

Because of a dispute in the postal district in which New Printing House Square lies the delivery of letters addressed to the Editor of The Times is liable to serious delay.

LETTERS TO THE EDITOR

Facing the dilemma of birth control

From Sir Keith Joseph, Conservative MP for Leeds, North-east.

Sir, I should have known better than to mention without fully developing the "dilemma" of birth control, particularly in relation to unmarried adolescents in socio-economic classes 4 and 5. But what I said cannot justify the grotesque misrepresentation to which a small part of my Birmingham speech has been subjected. I had assumed that my starting point was known concern for problem families—those in the cycle of deprivation—which animated my work as Secretary of State for Social Services would have protected me from the sensationalization of my reference to a serious and worrying trend.

In the context of a speech on the need to argue the case for the old values of self-discipline and civilized standards against the cult of permissiveness that has been allowed to dominate in recent years, I referred to a recent article by Mr and Mrs Wynne in *Poverty*, the journal of the Child Poverty Action Group. This article claims that no less than one third of babies likely to be born next year will be born in socio-economic classes 4 and 5, a high proportion of whom will have had their first baby in their teens and are either unmarried, deserted or divorced. The article argues that adolescent girls in these two classes tend to use birth-control techniques less than girls in other groups.

Though there can be no general rule, we do know that children born to such fatherless, often teenage, households are less likely than children born in more promising circumstances to receive the emotional security and the consistent combination of love and firmness that children need, quite apart from economic circumstances. The Bureau of the National Children's Society shows how grim the prospects are. The article stated the case for more money for fatherless families, and for more effective family planning.

It is because the children to whom I was referring are born to unmarried single-parent teenage households, NOT, NOT, NOT, because they are in socio-economic classes 4 and 5, that the children are at such risk of becoming tragedies in themselves and to society. The class 4 and 5 factor only enters the issue because the article in *Poverty* asserts that the proportion of the births to these two classes occur—for lack of birth-control—to unmarried or otherwise single-parent teenage households.

My speech was mainly about the need to defeat by argument ideas damaging to people and to the nation. In this context I was urging that we try by reasoning to alter the climate of opinion. My contention was that at best birth-control is no substitute to turning back the tide of permissiveness but that birth-control is a factor that cannot be ignored.

I went on therefore to mention briefly the dilemma we face on the Government for such girls. I explained that we have to decide which is the lesser evil between perhaps on the one hand appearing to condone immorality by offering contraceptive services to adolescents and to the unmarried, and on the other doing nothing to stem the tide of misery caused generally to mother and child over many years by such births.

As Secretary of State for Social Services I gave proportionately more time to this whole subject than to any other. In a series of speeches, starting with one in 1972 to the Pre-School Playgroup Association and in seminars and widespread and prolonged consultations, I sought ways that might be used to encourage responsibility in the preparation for parenthood. The new *Family in Society* series of publications by the Department of Health and Social Service and much continuing work besides bears witness to this personal initiative of mine in an effort to break what I called the "cycle of deprivation".

Minister, I gave all the encouragement and resources I could for the expansion of the service thought likely to be most helpful to the most vulnerable households.

The Tory leadership

From Lord Balfour of Inchrye.

Sir, You are these days the Tory Party and leadership. General Du Cann? First we read of a well publicized meeting then of a secret conclave in the City. According to press reports at both these meetings the question of future party leadership was considered. I listen on radio or watch on TV numerous expressions of individual views by one or more of these very important people.

I always thought the chief job of the 1922 Committee is to run the administration of the committee and programme its business in the interests of all its members. By what right or authority the executive or any of its members assume a position to review such a major policy question as party leadership well before Parliament and the whole committee meets is a question I cannot answer. It is now many years since I was a member of the executive but I think I am still right when I say that collectively and individually its members have no more authority or right on policy matters than those possessed by the newest member.

When the 1922 Committee has met after Parliament recesses and unless we shall hear of the views expressed by MPs fresh from the hustings. Until then can we expect a period of silence from Lord North Street and the City?

Yours truly,
BALFOUR OF INCHRYE,
House of Lords,
Westminster, SW1.
October 15.

From Mr A. R. Frewen.
Sir, Bernard Levin's brilliant articles leading up to the election may not have swayed many voters simply because only the lucky few had the privilege of reading them. But his devastating comments on the leadership will be read today by all the Tory members of the House of Commons and ought to have a cleansing effect. When the storm comes, as come it must, they will be lucky and glad to have Mr Heath to lean on. I am reminded of Plutarch's words

the domiciliary family planning service. The theme therefore on which I touched—I now accept, far too briefly—the deeply humane one of seeking ways to reduce the number of problem families, was one to which I had devoted years of thought and work. To tie this up with internal Conservative Party matters was therefore wholly inaccurate as well as unfair.

Needless to say, a number of people have ascribed statements to me which I never made, including the term "lower classes". This is to devalue the currency of public debate on issues which we ignore at same peril.

Yours faithfully,

KEITH JOSEPH,
House of Commons.
October 21.

From Sir John Colville.
Sir, Long anesthetized by the political-economic and social claptrap which has been our lot, I return to consciousness when Sir Keith Joseph speaks. After reading the text of his "remoralization" speech I looked with interest at the comments that were made upon it.

Two things immediately struck me. The first is that those who are quoted seem to have paid no attention to the major part of the speech, but to have concentrated on the emotive topic of birth control. The second is that, even on that score, they have not commented soberly or constructively on Sir Keith's alarming statement that one third of all births in this country are to mothers under 30, in many cases unmarried, pregnant in adolescence, of low intelligence and of low educational attainment. If this be so, it is a matter of major social importance and has little to do with party politics.

However, commentators on Sir Keith's speech were, in the main, so extravagant in what they said, that it must be assumed that either they had not read the speech or that they are hypocrites by comparison with whom Mr Pecksniff was a model of sincerity.

Believing them to be honourable men (with about the same conviction as Mark Antony had in speaking of Brutus) I conclude that Mr Frank Field, Mr Michael Smith, Mr Mark Morris, Mr Jack Jones, Mr Tom Jackson, Mr Latham, MP, old Uncle Joe Gormley and all failed to read Sir Keith's speech before making their comments. If they did read it, they must either have failed to understand it or be capable of macro-Pecksniffian analysis to a degree which is alarming in the formulators of public opinion. I am, Sir, your obedient servant,
JOHN COLVILLE,
The Old Rectory,
Stratfield Saye,
Reading,
Berkshire.
October 21.

From Mr William R. Lyster.

Sir, The rise in the illegitimacy rate has been accompanied by a rise in the proportion of illegitimate male births. In England and Wales there are now at least 2 per cent more illegitimate male births than legitimate male births per 100 female births. First births to young mothers are consistently more masculine than subsequent births to other women.

The problem posed by Sir Keith Joseph therefore becomes even more interesting. If the present trend continues there will be an upset in the sex ratio of the breeding stock of this country's next generation. Even among legitimate births the same trend is observable though to a less startling extent. The sex ratio of live births, both sorts, has been rising and in 1973 was 106.5 males per 100 females, this ratio being the highest ever recorded either in peace or in war. Women over the age of 30 have become wary of reproduction.

There is going to be a lot of competition among young adult males for the few females of breeding age in the years ahead. Marriage may not then be too stiff a price to offer. Yours, etc.
WILLIAM R. LYSTER,
13 Arundel Gardens, W11.
October 20.

on Alexander: "At first he bore their censures with great moderation, and then, as he said, there was something noble in hearing himself ill spoken of while he was doing well."

Yours faithfully,
A. R. FREWEN,
Hawtrey,
Surrey Forest,
Wiltshire.

From Mr J. W. P. Richardson.
Sir, It has to be Mr Whitelaw. No one else has as good a chance of managing the unions, a quality prerequisite in the search for a future Conservative Prime Minister. Yours faithfully,
J. W. P. RICHARDSON,
Bury Hill,
Newmarket.

Shortage of sugar

From Mrs Margaret M. Errington.

Sir, In answer to Mr James Dent (October 14), I agree a fair price should be paid to sugar producers, however it is not the price of sugar that annoys the housewife, merely the lack of it.

Yours, etc.
MARGARET M. ERRINGTON,
Stoborough Croft,
Wellow,
Yarmouth, Isle of Wight.
October 14.

Operas and Things

From Mr T. C. W. Stinton.

Sir, I sympathize with Lady Antonia Fraser's complaint (October 16) about the whirr of a projector during *Rheingold* at Covent Garden. Some years ago I went to an Oxford Bach Festival concert in which there was some computerized music by Xenakis. The concert was held in a modern first-class hall with a powerful ventilating fan. During the interval I asked for this fan to be turned off, as I found it distracting. The reply was that the composer was present and thought it an improvement. I doubt if Wagner would feel the same.

Yours faithfully,
T. C. W. STINTON,
Wadham College,
Oxford.

THE TIMES

BUSINESS NEWS

For Saving Investing and House-Purchase

HALIFAX BUILDING SOCIETY

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HALIFAX BUILDING SOCIETY

Rate of basic pay rises eased to 0.5 per cent in September

By Melvyn Westlake

There are some early signs that the rate of wage increases may be moderating after the sharp upturn in the level of pay settlements witnessed during the summer.

However, the slightly more optimistic figures for wages and earnings published in the Department of Employment yesterday appear against a background of mounting wage pressure among several key sectors of the workforce.

The official statistics show that the rate in basic hourly wage rates under national collective agreements was less than 0.5 per cent in September. The government index measuring these hourly rates rose from 144.3 to 145.0 (July 1972=100).

This follows an increase of 4 per cent in August and 2 per cent in July.

When the rate of increase is expressed over three months and annualized—the method employed by the Conservatives during the election—the rate of inflation falls to 28.3 per cent in September from 45.0 per cent in the previous month.

There appear to be two main reasons for this deceleration in hourly wage rates.

First, there were no extra threshold payments during last month. This was partly because the comparatively small rise in the retail price index for August, which was held down by the cut in value-added tax and other measures taken by the Chancellor, in July mini-Budget.

The second factor affecting the rate in September was the all number of people included in pay settlements. The settlements were for employees in the retail drapery, out-fitting and footwear.

been the subject of some concern in recent months, was actually rising more slowly than negotiated wage rates. With unemployment rising and the level of economic activity depressed, this is hardly surprising, and probably reflects both less overtime worked and some short-time working.

Economic conditions could thus now be acting as a natural constraint on pay.

Even so, the rise in earnings over the last year (20.2 per cent) was higher than the increase in prices (16.5 per cent). However, when allowance is made for tax and national insurance contributions, there has clearly been no improvement in real living standards.

On this evidence, the conditions of the social contract would, broadly, appear to have been honoured so far.

The recent signs that the pace of price inflation is slackening could help to persuade trade union negotiators to moderate pay claims; but with several large claims in the pipeline, the Government may be hard-pressed to maintain the downward trend of wage increases during the winter's round of pay negotiations.

WAGE RATES

The following are the index numbers for basic rates of wages for all manual workers in all industries and services and for average earnings of all employees in all industries and services in Great Britain covered by the monthly earnings inquiry, as released by the Department of Employment:

	Hourly rate July 1972=100	Average earnings (Jan 70=100)	% change on annual rate
1973			
Sept	120.0	156.4	12.4
Oct	120.3	158.2	12.6
Nov	121.0	160.3	12.5
Dec	122.0	161.4	12.6
1974			
Jan	123.7	154.1	8.9
Feb	124.7	155.8	8.5
March	126.4	164.3	6.8
April	127.6	164.7	30.2
May	131.5	169.6	35.9
June	136.1	178.2	32.9
July	138.7	181.8	48.5
Aug	144.3	185.2	42.2
Sept	145.0	NA	NA

Not seasonally adjusted.
These figures reflect the abnormal reduction in earnings during January, 1974 because of three-day working.
Provisional.

Mr R. Fell to be SE's first chief executive

By Andrew Goodrick-Clarke

Whitehall has provided The Stock Exchange with its first chief executive. He is Mr Robert Fell, who is at present chief executive. He is Mr Credits Guarantee Department. He will join The Stock Exchange on January 1.

It is practically a year to the day since The Stock Exchange, as part of a programme of administrative reform, announced that it intended appointing a chief executive. The aim of these reforms is to streamline the administration of The Stock Exchange and thus ease the burden on elected council members.

Mr Fell, who is 53 and has been chief executive of the ECGD since 1971, will be responsible to the chairman of The Stock Exchange, as present Mr George Loveley.

He will be a permanent ex-officio member of The Stock Exchange Council's executive committee, and he will also be principal adviser to the council and have the right to attend any of the council committee meetings.

His responsibilities include formation of Stock Exchange policy, implementation of policy laid down by the council, budgetary control, management of The Stock Exchange and its departments and communications and public relations.

Mr Fell, who is in Rome this week in his capacity of president of the Berne Union, the international association of export credit and investment insurers, said yesterday that the small executive committee should be "the pivot on which the policy and administration of The Stock Exchange will be balanced".



Mr Robert Fell: His job is to streamline the administration of The Stock Exchange.

One of his ambitions, he said, was to improve relations and communications between The Stock Exchange and industry and Whitehall.

While The Stock Exchange Council set about looking for a chief executive a year ago, it was not until February that the head-hunting started in earnest. Then, the council appointed Spencer Stewart & Associates, the management consultants, to help to fill the appointment. The job was advertised, and about 200 people responded.

Since council opinion on the sort of man who should fill the job was divided—some felt that it should be an industrialist, others a merchant banker, and others a stockbroker—around 50 of these applicants were interviewed. In the early stages there was some disagreement among council members about who should get the job.

His initial responsibilities will include implementation of the new operational structure of The Stock Exchange, which was approved by the council last year.

Business diary, page 19

City stockbrokers decide to cease trading

By Our Financial Staff

London stockbrokers, Hoblyn and Co are to cease trading on November 22, with all outstanding orders being settled from their offices at the Stock Exchange.

The closure, which could mean the redundancy of about 80 people, has been blamed on rising costs, reduction in turnover and the uncertain future. While Hoblyn would not elaborate last night, the majority of the partners and associates intend to continue in active business.

Steps are being taken not only to ensure continuity but also to safeguard their clients' interests. The firm shows a considerable excess upon its margin of solvency.

In addition to its offices in London, Hoblyn has two branches overseas—in Geneva and the Cayman Islands. The news came after Stock Exchange hours last night. Initial reaction was that it was "hardly a help to sentiment".

In recent weeks there has been a spate of mergers between brokers, and of firms ceasing trading. Almost all of these were caused by the low level of activity and escalating costs, with the market expecting many more to follow.

EEC ministers agree on \$3,000m loan to ease oil deficits of members

From Roger Berthoud

Luxembourg, Oct 21

Finance ministers of the Nine agreed here tonight to launch an initial EEC loan of \$3,000m (£1,250m) to help member states with balance of payments difficulties. The money will be raised principally from the oil-producing countries and made available under EEC conditions strictly for reducing the so-called oil deficit of member states.

Italy indicated today through Emilio Colombo its intention, that it would like to take advantage of the loan as soon as possible. The Irish also seemed interested.

A second operation in the course of 1975 was considered by the same group, said the British Chancellor. Speaking to reporters afterwards, Mr Healey said that he and his colleagues had reached agree-

ment on all the main issues involved in the loan project, which has been under discussion since January.

The Community as such has agreed to make an important contribution to the problem of recycling petrodollars," he said. "It was an important example of solidarity on a concrete problem where a common interest had been identified."

Dr Hans Apel, the West German minister, who arrived with the Bonn cabinet last week, had suggested a limit of \$3,000m up to the end of 1975. But it was pointed out by the Dutch that member states had to guarantee both the interest and the principal.

As a compromise it was agreed the same sum should cover both—but without a fixed time scheme. Mr Healey thought a second operation next Easter would be quite possible when

the Nine appreciated more fully the stupendous size of the petrodollar surplus and its potential effects.

Some details of how the loan will be guaranteed by the member states remain to be discussed by officials and settled at the next meeting of the Council of Ministers in November. But basically the maximum proportion of the loan which any one of the larger member states will have to guarantee (ie Germany, France and Britain) will be 40 per cent, even in the event of all others failing to meet their commitments.

Both the West Germans and Dutch require detailed legislation before they can give their final approval. Mr Healey was not sure whether the House of Commons's EEC scrutiny committee would recommend a parliamentary debate.

All work stopped on Hawker 146 project

By Arthur Reed

Air Correspondent

In the absence of any new initiative from the Government to save the project, work stopped last night on the Hawker Siddeley HS146, the only large new British subsonic airliner under development.

Notices went out from the Hawker Siddeley Hatfield factory, where the 70 to 100-seater airliner was to have been assembled, telling sub-contractors at home and abroad that the parts they were making would no longer be required.

Several hundred men at the Hawker Siddeley factories at Hatfield, Brough, in Yorkshire, and the Manchester area were told that they would be transferred to either aircraft programmes in the civil or military sectors.

HS signed a contract with the Government in August last year to share equally the £92m research, development and production costs of the 146. But with the increase in costs running at 20 per cent and airlines reducing their aircraft inventories as fuel costs rose by 200 per cent following the Arab-Israeli war, the manufacturers decided in July that their project was no longer profitable.

Notice to this effect was served on the government partner, Mr Wedgwood Benn, Secretary of State for Industry who has appeared more con-

dent about the future prospects of the 146 than has HS, but up to last night he had made no new proposition to increase the Government share of the funding.

Hawker Siddeley is in fact so convinced now that the future for the 146 is bleak that it would be unlikely to want to continue with the project even if the Government came up with a proposal to take over a major share.

It has now become clear that a turning point in the 146 project came with the indication some weeks ago by the European division of British Airways and the French internal airline Air Inter that they could no longer afford the 146.

Both had been principal potential buyers, and the work of making the wings had been contracted out to the French group Aérospatiale.

HS made its decision to withdraw from the 146 project as its spending reached around £500,000 a week, but before more than a few hundred of its employees were involved. In the long-term, with sub-contractors, more than 20,000 men and women would have been working on the project.

So far, the work has concerned overall and detailed design, the completion of a mock-up, a metal engineering mock-up, and the cutting of some metal for the first production airliner.

Mr Varley names Energy Advisory Council members

Mr Eric Varley, the Secretary of State for Energy, yesterday announced the names of 19 people who will serve on the Advisory Council for Energy Conservation, under the chairmanship of Sir William Hawthorne, Master of Churchill College, Cambridge.

Mr Varley will address the first meeting of the council tomorrow. Its object is to make recommendations to the minister on economy and efficiency in the use and consumption of energy.

The members are: Mr John Barber, deputy chairman and managing director of British Leyland; Mr P. P. Bennett, an architect and planning consultant; Mr Wilson W. Campbell, a consulting engineer and chairman of the programmes committee of the World Energy Conference.

Miss Joy Clancy, a post-graduate research chemistry student at Queen Mary's College, London; Dr Richard J. Eden, reader in theoretical physics and head of the energy research group at Cavendish Laboratory, Cambridge.

Sir Derek Ezra, chairman of the National Coal Board; Sir William Stevenson Gray, Lord

Provost of Glasgow; Mr Eric Hammond, executive counsel-
lor to the Electrical, Electronic, Telecommunication and Plumbing Union, and a member of the TUC's fuel and power committee.

Miss Rosemary McRobert, director of the Retail Trading Standards Association; Mr J. R. S. Morris, a director of British Nuclear Fuels Ltd, and a member of the Nuclear Power Advisory Board.

Mr H. E. Osborn, former vice-chairman of the National Freight Corporation; Dr A. W. Pearce, chairman of Esso Petroleum; Mr M. V. Posner, a fellow and Director of Studies in Economics at Pembroke College, Cambridge, and a part-time economic adviser to the Department of Energy.

Mr Ronald Richardson, deputy chairman of the Electricity Council; Mr Denis Rooke, deputy chairman of the British Gas Corporation; Dr Leonard Rotherham, Vice-Chancellor of Bath University.

Mr F. E. Shroobree, general secretary of the Association of Building Technicians; Sir Frederick Warner, a member of the Royal Commission on Environmental Pollution.

Alitalia plans service cuts to meet £40m loss

From John Earle

Rome, Oct 21

Alitalia, the Italian national airline whose losses this year are approaching 60,000m lire (£40m), has decided on a drastic six-point austerity programme, including grounding part of its aircraft fleet and thinning out and closing some services.

There is talk in aviation circles of the company grounding all its aged Caravelles and its six DC8-15s with the likelihood of their being made available for sale.

Increased fuel costs, put at 189 per cent higher than last year, are blamed for the airline's trouble.

The six-point plan described by the spokesman was: No new routes would be opened; unprofitable routes would be closed; frequency and capacity of services on some other routes would be reviewed; only wide-bodied aircraft would be used on North Atlantic services; short and medium-haul charter operations by Caravelles would be abolished and only DC8-62s would be used on long distance charters; a medium and long-term programme would be worked out for the future of the company.

A shareholders' meeting will be held later this month to discuss the future. The point is made that a government decision to close Alitalia would mean the virtual end of civil aviation in Italy.

In recent weeks the company has been reorganising administrative management, to meet its new low-key style of operation.

Arthur Reed writes: Passenger fares on air routes within the Pacific, Asia, Australasia and south Atlantic areas are to go up by 3 per cent to 10 per cent from April 1, after a decision by the International Air Transport Association, meeting in San Diego, California.

The airlines failed to agree on new rates for routes to north, central and south America, the Caribbean, and between Europe and the Middle East and Africa.

The first of nine 300-seater Lockheed TriStar airbuses ordered by British Airways arrived at Heathrow airport last night after a delivery flight from the Lockheed assembly plant at Palmdale, California, and ran into an argument over its maintenance.

Some 350 engineers in the airline's European division have threatened to "black" the new aircraft because they disagree that responsibility for maintenance should be transferred from the Civil Aviation Authority to the airline. A union official said that this could lead to a serious drop in maintenance standards.

American increase: The Civil Aeronautics Board in Washington has approved increases ranging from 3.6 per cent to 19 per cent in all airline passenger fares for North Atlantic routes. The fare increase will apply from November 1 until March 31, 1976.—AP-Dow Jones.

PEC to debate a for fixed prices system

By Violette

Over the course of the past year, the system for crude oil prices has been discussed tomorrow when the Economic Commission for Europe meets in Paris. The Organisation of Petroleum Exporting Countries meets in Lausanne.

A commission will consider a system of fixed prices. The OPEC nations that the international oil companies should participate in setting of these rates.

Advocates of the system that if OPEC has direct control over the oil companies, it will help the organization to company profits.

Major concession holders in OPEC countries will not move the advantage they on crude oil costs over concession holders.

Retraining call at Scottish TUC debate on jobless

By James Jack

Mr James Jack, general secretary of the Scottish TUC, told a planning conference in Glasgow yesterday that more than 50 per cent of the people out of work in the west central Scotland belt had been idle for more than six months.

Quite a large proportion of these had been idle for nine months. A noticeable proportion had been unemployed for a year.

He was arguing a case for retraining at a conference on the west central Scotland plan for immediate action to improve the economic and social prospects and the physical surroundings of 2,500,000 people who live in this area. Despite the level of joblessness on this scale the Post Office was still short of 200 men in Glasgow alone.

There was an urgent need for new techniques in training people to enable them to regain the discipline of work, he said. This was a challenge to both sides of industry in Scotland, and one which had to be looked at very seriously.

There had to be an end to the discard of human beings because they had been more than six months out of work.

Mr Jack suggested that greater emphasis should be placed on creation of new jobs from indigenous industry rather than attracting new industry from outside Scotland. He instanced the case of the proposed steelmaking complex at Hunterston, which would provide 6,000 jobs. But these would merely be a replacement for the 6,000 to 7,000 jobs already lost to the steel industry in Scotland.

Japan hopes to hold floating yen at 300 to dollar

By Tokyo, Oct 21

Mr Masayoshi Ohira, Finance Minister, said that Japan would like to stabilize the floating exchange rate of the yen at about 300 yen to the United States dollar.

Mr Ohira said the yen's rate on the Tokyo market was relatively calm at present, as Japan had succeeded in recycling some foreign currency funds. But it was essential that the monetary authorities stabilize the rate at the present level of around 300 yen.

Whether this level was good or bad was another question, but unless the rate was stabilized the outlook for Japan's exports will be narrow and the aim of curbing price rises jeopardized.

The Japanese government intended to arrange the economy in such a way as to maintain the 300 yen level.

Tremlett's may go to court

By Margaret Drummond

Tremlett's, the timber and engineering concern headed by Mr Jeffrey Pike, is contemplating legal action against the directors and financial advisers of Tower Assets, the group it acquired last April. Yesterday it requested the Stock Exchange to suspend quotation of the group's three unsecured loan stocks "pending clarification of its position".

Part of the dispute are Arthur Young McClelland Moores & Co, the major firm of chartered accountants which acts as Tower's auditors; Dawson Day, the merchant bank that advised Tower during the takeover negotiations, and certain directors of Tower, including the former chairman, Mr Stephen Maltz.

The dispute concerns the cash flow position of Tower's Dutch subsidiaries.

London sugar at £405 peak

A new all-time high of £405 a long ton was recorded in the London daily sugar price yesterday. In the futures market the distant positions scored strong gains. October, 1975, for instance, was £12.50 up at £359.25 a ton.

How the markets moved

By Margaret Drummond

Equities were lower in slack trading. Gold-edged securities had interest centred on the "mediums". Sterling dropped 28 points to \$2,330. The effective devaluation rate was 18.6 per cent.

Gold rose \$2 to \$350.50. SDR = \$ was 1.1379 on Monday, while SDR = £ was 0.511301. Commodities: Copper prices lost

THE POUND

Bank buys Bank sells

Australia \$ 1.84 1.79
Austria Sch 42.25 42.25
Belgium Fr 91.75 89.00
Canada \$ 2.34 2.29
Denmark Kr 14.30 13.90
Finland Mk 9.00 8.75
France F 112.00 109.00
Germany DM 6.15 5.95
Greece Dr 71.75 68.75
Hong Kong \$ 11.90 11.55
Italy Lr 1,645.00 1,590.00
Japan Yn 725.00 700.00
Netherlands Gld 6.30 6.10
Norway Kr 13.10 12.75
Portugal Esc 65.00 61.50
S Africa Rd 1.85 1.78
Spain Pes 137.00 132.00
Sweden Kr 10.45 10.15
Switzerland Fr 6.90 6.65
US \$ 2.38 2.33
Yugoslavia Dor 40.50 38.50

more ground with cash wire bars down £21 to £366.50—its cheapest level since February, 1973. Tin eased £15 and zinc fell £12.75. Silver gained 5.9p on the LME. Spot sugar was lifted £5 to a new peak of £405. Coffee futures were sharply lower. Reuters index was 6.3 down at 1,230.3.

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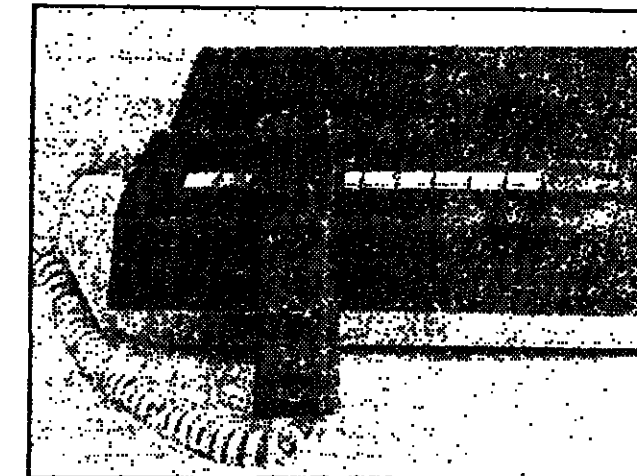
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Legal and General plea for pensions safeguard

By Margaret Stone

One of Britain's leading insurance companies, Legal and General Assurance, yesterday appealed to the Government to guarantee occupational pension schemes against inflation in order to protect employers from a "frightening" situation.

The new pensions proposals put forward last month by Mrs Barbara Castle, the Secretary of State for Social Services, contain an inflation guarantee. If employers wish to contract out of the state scheme they must also offer similar inflation-proofing in respect of occupational pensions.

Mr Alan Firth, Legal and General's senior pensions executive, said at a conference yesterday: "Employers are frightened by the need to give guarantees against inflation. They do not believe that they can guarantee against whatever governments may do in the future."

He added: "Provided statutory contracting-out terms can be agreed on an all-party basis, taking full account of actuarial and economic realities, pensions can be taken out of the political arena for the first time."

US trade centre open

A new United States trade centre was opened at Landham Place, West London, yesterday by Mr Walter Annenberg, the American Ambassador. It replaces the centre in St James's Street.

Iran's £240m motor industry plan offers scope for UK components

By Clifford Webb

British component manufacturers expect to win a substantial share of a £240m plan to transform Iran's motor industry into a 500,000-cars-a-year operation by 1980. Negotiations are well advanced for jointly owned British-Iranian plants to be built.

Informed sources said last night that the lion's share will almost certainly go to Guest Keen & Nettlefolds, the leading British supplier of engine and transmission components. Since 1967 the Iranians have imported engines and power trains from Chrysler UK for installation in the Paykan, a locally assembled version of the Hillman Hunter, which accounts for 70 per cent of all cars sold there.

The Joseph Lucas group—particularly its Gilling brake subsidiary—is also understood to

be negotiating a similar joint venture. The chief executive of a major Midlands component firm just returned from Tehran said last night: "The atmosphere over there is quite electric. The Iranians are prepared to spend such astronomical sums it takes your breath away."

"Tehran is teeming with industrialists from Europe and America. The competition is really fierce, but I believe we and other British firms have a good chance of taking the lion's share."

Iran National, the country's largest vehicle producer, had threatened to pull out of its contract with Chrysler UK because of Chrysler's failure to maintain supplies—last year it shipped only 45,000 kits instead of the 54,000 ordered. This year the three-day week and more strikes at the company's Coventry plants brought matters to a head and top executives

from Detroit were called in to try to save the situation. The result was announced in Tehran over the weekend. A new contract has been signed with American Chrysler under which they will back British supplies with deliveries from their French and American plants. This year they will supply kits for 90,000 Paykans.

Meanwhile, Herbert Machine Tools, Coventry, yesterday announced a £397,000 contract to supply the Hyundai Motor Corporation, South Korea, with grinding, drilling, turning, and milling machines for delivery next year.

Mr George Turnbull, former managing director of British Leyland and now in charge of plans to build a South Korean motor industry, is expected to announce in London on Thursday the names of British firms who will be setting up component plants there.

Shawcross tribute to City Panel

By Our Financial Staff

Pointing to the "high degree of success" which self-regulation and discipline have achieved in the field of takeovers, Lord Shawcross, chairman of the Takeover Panel, says he remains convinced that in this country the highest standards are still best secured by a voluntary system of regulation.

"In whatever field of activity," Lord Shawcross writes in the Panel's annual report, "statutory regulations adminis-

tered by legal authorities can, at best, lay down no more than minimum standards of behaviour."

"The danger always is that once such standards are established as rules of law, they become regarded as the maximum of what is required and the lawyers (of whom I was one) exercise their ingenuity in finding, as they are entitled to do, ways of avoiding or by-passing the application of the legal rule."

Lord Shawcross goes on to suggest that in regard to take-

overs and mergers it is a fact not only that many of the abuses which occurred before the Panel existed could not in practice have been avoided by statutory control, but that since the Panel asserted its discipline most of the abuses have ceased to exist.

"It is perhaps a tribute to the generally high standard of behaviour which the City Panel exists to promote, that public censure of criticism by the Panel is now regarded as a very grave matter indeed," says Lord Shawcross.

Improving outlook for US capital spending

From Frank Vogl

Washington, Oct 21. Prospects for American capital spending are now brighter, according to many economists and businessmen. This view is being given strong support by the continuing easing in Federal Reserve money policies, which led again today to cuts in prime lending rate by many of the largest banks.

The National Bank of Chicago and the Bank of New York both followed the move by the First National City Bank last Friday in cutting prime rates to 11½ per cent. The Chase Manhattan Bank and the National Bank of Detroit announced prime rate cuts to 11½ per cent from 12½ per cent.

In a report today the Argus Research Corporation forecasts fixed-dollar investment outlays rising by 13 per cent next year. A new economic report by the Manufacturers Hanover Trust says that "several respected private surveys of businessmen's capital spending intentions show that for 1975 American industry would like to spend from 10 to 15 per cent more on new products."

Many leaders forecast at a recent business council meeting even higher spending rises next year. They pointed out that capital outlays are likely to be boosted considerably by the enforcement of new environmental standards and on energy-related ventures.

A report by the Commerce Department indicated that business capital spending on anti-pollution plant and equipment is likely to rise in the current year to about \$6,500m (£2,700m) from \$4,900m last year. The rate of increase is likely to be still higher in 1975, due in part to substantial expansion in such industries as coal mining, steel and electric power, all of which are under growing pressures from powerful anti-pollution pressure groups.

The level of investment spending directly resulting from the energy crisis is likely to be considerable, although detailed figures for 1975 are still uncertain. The industry analysts and economists await the detailed announcements of the Administration's energy self-sufficiency programmes.

The rough estimates involve industrial investments of some \$450,000m to \$700,000m in the next five years.

Investment spending could be boosted by swift Congressional passage of President Ford's proposal for an increase in investment tax credits to 10 per cent from 7 per cent. Furthermore, if the Administration achieves its aim of a balanced budget, more funds could be available in the markets for private investment.

Despite inflation, the level of corporate profit growth remains strong, and this too could encourage increased investment spending. Third quarter profits have been boosted by inventory gains and, while the results at some major companies have been disappointing, the average suggests a healthy level of advance.

The easing of monetary conditions is aiding the stock market. The money markets are also becoming more liquid as a result of a decline in the rate of inventory increases—down to a real \$3,200m in the third quarter from \$8,200m at an annual rate in the second quarter—which largely reflects the easing in raw material prices.

This optimistic picture, however, is offset by the continuing uncertainty about consumer demand trends and the prospect for inflation.

Institutes see no German upturn until the spring

Bonn, Oct 21.—All five leading West German economic research institutes forecast that the current downturn in the domestic economy will last until the spring. Gross national product will stagnate until then, capacity utilization will continue to fall and unemployment will go on increasing, they claim.

In their autumn report the institutes forecast that unemployment in Germany could reach one million at the height of the coming winter. But later in 1975 the economy should begin to revive.

The five institutes—from Berlin, Hamburg, Munich, Kiel and Essen—acknowledged that economic forecasting for next year is risky, not least because of the balance of payments problems, oil-price uncertainty, budget deficit prospects and labour agreements still to come.

Their report concludes that while short-term prospects are gloomy, the chance for achieving price stability, full employment, and a payments equilibrium while maintaining economic growth have improved in the past months.

For next year the institutes expect a rise in real GDP of 2.5 per cent with the year-to-year price stability at 1 per cent in the second half of the year to 1.5 per cent in the first half and 3 per cent in the second half of 1975.

LETTERS TO THE EDITOR

Housebuilders facing point of slow return

From Mr J. P. M. Parry

Sir, Unless the Government acts promptly to preserve the capacity of the housebuilding industry—the building companies and brick and other material suppliers—this sector in months to come will be slow to respond to any subsequent stimulation of the trade.

By late 1975 a resurgence in house buying will no doubt come about automatically when later rates fall. A slow response by builders and manufacturers at that time will mean that another period of extravagantly rising house prices will precede a real revival in the actual quantity of houses built.

While at present a reasonable rate of house construction can quickly recommence utilizing spare capacity (unemployed skilled labour and heavily stocked building material factories), if many of these factories are closed down and the skilled building and materials manufacturing workers disperse the situation becomes very different.

The factories which shut down are usually the smaller and older units which are economic if kept running but which rely on a particular type of skill and experience to function. Once this type of labour has been

lost these older plants are seldom if ever reopened. It takes however two years to build a new brick factory—hence the shortage in 1972-73 after the slump and overcapacity of 1969-70. The producers having closed dozens of older plants only began to take investment decisions in 1971 and 1972 and the new factories commenced production last year and in 1974.

It looks as if in 1976 the press will be full of stories of housebuilding held up by brick and block shortages and Britain will again import bricks at five times the cost unless the Government acts now. Presently, "huge" stocks of 670 million bricks compares with 1,100 million in April, 1970, and would supply only five weeks' building demand in revived market conditions.

The situation for the companies is very serious, because production of over 350 million bricks was lost during the three day week and the lost profits from this and from increased fuel costs are already causing plans to close down at an unprecedented rate, 22 so far and more to come.

By promptly bailing out the housebuilding boat the Government will save a much more expensive salvage operation

later, when an intervening period of private housing shortage and rising prices will be socially and politically very harmful to us all.

It will be recalled that in the 1930s Britain used housebuilding to pull itself out of the slump (while the Germans built autobahns and battleships and the Americans invested in major land use schemes in the Tennessee valley and elsewhere).

Housebuilding can be used to generate much economic activity in the coming recession, utilizing British land, labour and materials but with little recourse to imports compared with other forms of manufacturing. Moreover, one excellent way to dampen social discontent in a period of static GNP is to provide slum-dwellers with pleasant, secure houses of individual character.

This all adds up to an interesting boost to the housebuilding industry—nourishment to a starving man. Why wait till the point when electric shock treatments is needed to restart a stopped heart?

J. P. M. PARRY, Chairman, Innes Lee Parry Associates, 45 George Road, Edgbaston, Birmingham.

Policies for employee participation

From Mr Philip Goldenberg

I refer to the Industrial Society pamphlet entitled Practical Policies for Participation, and noted in particular the remarks in the pamphlet to the effect that a single blueprint for employee involvement would be disastrous and that the serious problems involved should not be swept under the carpet of some such panacea as board representation.

I welcome these sentiments. I have personally always felt (and said publicly) that the best approach might well be a body endowed with the expertise of the late lamented Commission on Industrial Relations, and having the power and duty to issue a certificate in any particular case where a company, or a group of companies, had a satisfactory system of employee participation within certain statutory guidelines; and from

that some tax advantage would flow to a company so certified. I have made it my business, so far as possible, to be in contact with industry in this constituency, and the consensus of opinion I receive is that what is needed above all is a "pat of entry" for employees to be involved in decisions that affect them; and that this is to the benefit both of the employees and of the company concerned.

But I do not believe that, given the wide structural diversity of British industry, a single answer as to the best method of employee participation is possible or desirable; and I endorse the measure of flexibility advocated by the pamphlet referred to as an essential approach in this area.

PHILIP GOLDENBERG, Eton & Slough Liberal Association, 101 Upton Road, Slough.

Name of the game: W H Smith?

From Mr Nigel Kingsley

Sir, With reference to the Business Diary in Europe yesterday, I must draw your attention to the fact that on the day W H Smith, in Kingsway, changed their name, I did in fact make enquiries to the store's manager about the change. I was informed, with a

smile, that it was part of an experiment.

As my prize do I receive a gift voucher from Smiths or Sims? Yours faithfully, NIGEL KINGSLEY, 53 Flanders Mansions, Flanders Road, Chiswick, W4.

Retail group's leader urges spur for profits

By David Young

Lord Redmayne, chairman of the Retail Consortium, yesterday called on the Government to give back to industry and commerce a larger share of the profits it makes. They could well say to the Government: "Give us back the tools and we will finish the job," he argued.

Lord Redmayne, speaking at the first official lunch of the Oxford Street Association, said that by tools he meant the profits that provide the wages, the turnover and the cash that keeps the economy alive.

He hoped the Prime Minister would realize that neither half of a mixed economy could develop without available cash. "In the nationalized sector

that cash should come, at least in part, from genuine profit. Any deficit incurred for good social reason must admittedly come from the taxpayer. In the private sector the cash that pays the taxes and keeps the wheels of industry turning can only come from profit responsibly made and sensibly disposed."

Lord Redmayne said that if industry and commerce could get that argument accepted then the country could look to the future with less foreboding and regard the social contract with greater confidence.

The Retail Consortium, along with the Confederation of British Industry, has been pressing the Government to relax price controls and corporation tax.

Co-op will back pharmacists who give stamps

A ruling by the British Pharmaceutical Association that it would be unethical for dividend stamps to be given in the 700 Co-op pharmacies may be challenged in court. The Co-op believes the ruling is unenforceable under the Restrictive Trade Practices Act 1956.

Co-op member societies have been advised that it will provide legal backing to any pharmacist employees brought before the association for being in breach of its code of professional conduct by giving dividend stamps.

Dividend stamps would be given for all sales in pharmacies, except prescribed medicines, but including proprietary medicines such as cough mixtures, indigestion tablets and aspirin.

In 1971 the Co-op advised not to issue dividend stamps, but since then legal advice has been taken and it is now felt that the association has no power to discipline pharmacists for giving stamps.

The association, however, has said in its journal that pharmacists would be guilty of professional misconduct and should therefore "be prepared to face the consequences".

Next month the association will discuss the matter at its council meeting.

Tokyo to make more use of foreign tankers

By Peter Hill

Japan is expected to make increasing use of host government oil tankers—including possibly some very large crude carriers which have yet to be built—to cover her oil import requirements in the second half of this decade.

According to a report on Japan's energy and shipping needs, the high level of cost inflation may lead to a general move by Japanese owners to order ships abroad, following the pattern recently established by the Sanko Line, which has placed orders for three 96,000 tons deadweight ships with a Singapore yard.

The report suggests that "tie-in" deals and direct oil transactions with host governments are likely to become even more important in the case of Japan. It is estimated that by 1977-78, Japanese shipowners will have at least 30 million deadweight of tanker tonnage under their control for foreign flag operation, either through "tie-in" charter-back or conventional bareboat charters.

* Japan: Trends in crude, products and tanker supply. Published by J. P. Dretory (Shipping Consultants), 320 per single copy; or £60 for series of 10 consecutive reports.

Japan's car makers see sales rally

From Peter Hazelhurst

Tokyo, Oct 21. Japan's motor industry, which suffered a severe setback because of the oil crisis hit the economy last year, indicated today that sales had rallied in September when an export drive sent production soaring to the highest level recorded in the current financial year.

A spokesman said tonight that the statistics and other figures showed that producers were now steadily recovering from a serious recession which forced manufacturers to cut back production when record sales piled up earlier this year.

The Japan Automobile Manufacturers Association announced that 587,005 four-wheeled vehicles had rolled off production lines in September, and although this figure was 3.6 per cent less than the same month last year, it was the highest monthly output since this fiscal year.

The slight monthly decline in September is significant when it is compared to the sharp average drop in production of 15 per cent registered during the first six months of the year against the same period of 1973.

Releasing production statistics for last month, a spokesman said that although there were no indications that domestic demand was improving, exports accounted for almost 70 per cent of production during September.

A strong overseas demand for Japanese cars, particularly for the popular compact models, helped overall production up, he said. In another indication of strengthening demand, a spokesman said, production shot up last month after manufacturers began to retool the production lines turned over to 358,541 passenger cars (down 7.1 per cent), 223,793 buses (up 20.4 per cent), and 44,111 trucks (down 2.1 per cent).

Forecasts show that vehicle sales in Japan for the first half will be approximately 2.09 million, against 1.9 million for the first half of 1974. This will be an estimate of 3.8 million units for the year.

An upward trend is also expected in exports, estimated at 1.3 million units during the first half of this year, against 1.2 million during the first half of 1973.

But 1975 should produce improvement of about 10 per cent, giving a deficit of 13,000m. The gross domestic product should rise 4.7 per cent in volume this year.

Expansion of cargo data system at Heathrow

A big extension of facilities provided by the London Airport Cargo Electronic Data-Processing Scheme (LACES) at Heathrow is planned by the steering group which represents the users of the system—18 airlines, 180 forwarding agents and HM Customs.

This will include the processing of exports information as well as imports; and the provision of the LACES service to airports other than Heathrow. The new facilities will be developed by the Post Office's National Data Processing Service, which operates the system on behalf of the users. Proposed date for implementation is April, 1976.

Natural gas control

To ensure an adequate and controlled supply of natural gas from the North Sea terminals to the regions, British Gas Corporation has implemented an advanced control system which

Computer news

is believed to be one of the most comprehensive of its type in Europe.

The system controls a flow of gas about 4,000 million cu ft a day (rising to about 5,000 million in winter) via 2,200 miles of pipeline. This national gas grid also includes compressors which are used to increase gas pressure and throughput, and storage stations which hold liquefied natural gas.

Operations are based on a two-tier concept, with computers in the 12 gas regions linked to a national control centre at Hinkley, Leicestershire.

Measurements of pressures and flows at points on the pipeline are automatically transmitted to a data reduction computer, a Computer Technology

Modular One, at each of the 12 regional centres.

This information is held by the regional computers for local display, and also transmitted to Hinkley. Here, information from all the regions is concentrated via a front-end processor (another Modular One), and passed to the centre's main control computer, a Ferranti Argus 500.

Both the front-end processor and the Argus are duplicated, and the standby Modular One can stand-in also for one or two of the regional computers if required.

Final output from the Argus is presented to the controllers at Hinkley via five display screens. The controllers can select various combinations of tabular and diagrammatic data.

Two large Univac 1106 "scientific" computers are also used by British Gas. One, at Hinkley, holds a model of the grid and carries out daily forward simulations, with the output linked to the Argus.

Another in London, is being used to develop programs for the gas transmission system, including short-term demand forecasting.

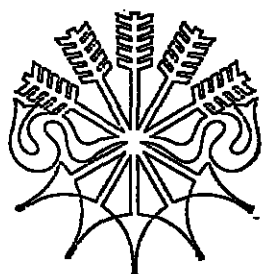
Programming assistance for the British Gas system has been provided by Logica. Value of the computer equipment at Hinkley is about £2m.

Robot for Glaxo

Management information for Glaxo, the pharmaceuticals group, is now being obtained using computer programmes written according to Robot, the database management system developed by Software Sciences, Farnborough.

Glaxo is implementing Robot on an ICL 1902S in London. According to company data-processing staff, programme development times are being cut to between one-sixth and one-twentieth by using the Robot language in place of Cobol.

Kenneth Owen



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Pension Fund Performance

Pension and Charitable Fund Report at 30 September, 1974



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† Cumulative performance figures from appointment (prior to 30 September 1973) to latest available dates for all fully discretionary pension funds where data has been made available by trustees.

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PO unveil communication network plans

By Kenneth Owen

Technology Correspondent

A six-stage plan by the Post Office to move towards a comprehensive digital data-communication network was outlined in London yesterday by Mr J. F. P. Thomas, director of network planning, Post Office Telecommunications.

First, the existing Datal service would be improved, in

parallel with new services. Secondly, an experimental "packet-switched" data service would be opened in 1975.

Thirdly, a new international Telex system would be introduced at the end of 1975. Fourthly, a private-circuit digital data service would be introduced following field trials starting in 1976.

Fifthly, pilot "circuit-switched" data services would be introduced from 1979-80.

Finally, subject to further study, these various developments would be incorporated into an integrated digital network which would carry a Telex service.

Mr Thomas was presenting a Post Office review of data transmission at a seminar organized by the National Economic Development Office. Britain had more data connections than any other country in western Europe, he said.

FINANCIAL NEWS

Shrinking building trade demand lops growth at Sabah Timber

By David Mott
Last year was one of the best ever for the United Kingdom timber trade and in the case of Sabah Timber profits were more than doubled at a record £9.6m. But the group has run into difficulties this year with a decline of almost 17 per cent in profits over the first six months and prospects look less than bright for the rest of the period.

Leap forward at Contractors' Services Group

Thinks looked bright at Contractors' Services Group at the half way stage, and while growth slowed in the second leg, the group ended 1973-74 with a taxable profit of £610,000, against £483,000 for 1972-73—the first year as a public company. This has been achieved on turnover up from £1.75m to £3.38m.

After adding an extraordinary item of £21,000 (a profit from the sale of quoted investments), net profits show a rise from £263,000 to £339,000, and the dividend jumps from 3.5p to 7.5p gross. Earnings a share are up from 8.78p to 11.27p.

The board comments that the group is seeing the benefit of policies aimed at broadening the base of the plant hire activities, and is now conducting the significant proportion of its business through industries outside the construction field. With all acquisitions now making a full contribution to the group, the current year has started well, and management results are ahead of the past term.

At half time, profits bounded by 41 per cent to £310,000 on turnover of £1.54m, against £620,000, and the board indicated that the year was going along in line with its expectations. The second half saw profits rise from £263,000 to £300,000.

to £4.2m. The company says that interest rates continue to be high and the shrinkage in the construction field is having its effect in the current six months.

Looking to the East, log production has temporarily over-ridden demand and this has resulted in some sharp price reductions and cut-backs in felling. On the market the shares were unchanged and closed at 23p, while the dividend of 0.52 (0.5p) gives a similar net payment of 0.35p. These more difficult condi-

tions for the timber trade were not unexpected. In his last review in July Mr H. Townsend, chairman, said that although turnover had been raised by acquisitions, demand was falling, mainly because of the reduction in building activity. Shippers' prices had levelled off and the future was seen as "unpredictable".

Sabah is a subsidiary of Harrison & Crossfield and has a current agreement until 1982 to extract timber in Sabah from an area of 101 square miles. has, in addition, entered a conditional contract to dispose of its shareholding in CFH/Glacières. The accounts make provision for an estimated book loss of £1.7m on the sale.

The disposals are part of Argyle's programme designed to reduce its short term borrowings. The balance sheet shows properties and land at £81m, a figure which the directors believe to be realistic in present market conditions.

Property sales by Argyle since year-end total £6m

Argyle Securities, the property development group in which Mr Jimmy Goldsmith's Anglo-Continental Investment & Finance has a 44.6 per cent stake, has made disposals worth £6m since its year-end on March 31. Some £5.5m cash has already been received and short-term borrowings of £6.5m have been repaid.

Properties with a book value in the March balance sheet of £5.29m were sold or contracted for sale for £5.45m. The group

Second-half deterioration puts Sirdar 28pc lower

Although smitten by the effects of the three-day week in the first half, Sirdar the Wakefield-based knitting and rug wool manufacturers, managed to hold half-time profits at around £300,000. But the second half saw a 30 per cent downturn, from £592,000 to £309,000, which pulled the full year's out-turn to June 30 down from last year's record level of £842,000 to £610,000—a drop of nearly 28 per cent. Nonetheless the board is stepping up the total dividend from 3.06p to 3.19p, with a final payment of 1.85p which shareholders can opt to receive in scrip or cash.

The board reports that sales are buoyant and that a renewed interest in hand knitting is evident. It is confident that the current year will produce a more satisfactory result, subject to margins being maintained or improved. A year ago the group raised £588,000 by disposing of its Australian interests. It is now selling out in South Africa. In a deal worth £435,000 it is disposing of Sirdar Wools (Pty) to Patons & Baldwins SA. This sale results from a severe recession in the South African textile industry which, the group says, shows no signs of an early improvement.

Hunting say Seabridge may hit 1974 profits

By Fred Wilson

Group turnover and profits of Hunting Gibson, shipowners, ship, oil and airbrokers, etc, in the first half to June 30 were going great guns, but the board gives a warning of the expected poor results of Seabridge, in which the group is part of a consortium. Seabridge is having its effect on group profitability and full-year results will be somewhat less than the record 1973 outcome.

Group taxable profit in the half-year jumped almost £1m from £1.3m to £2.1m while turnover more than doubled from £2m to £5.2m. Tax takes £1.07m against £514,000 and the attributable balance emerged at £846,000 against £584,000. Earnings per share were 48p against 37.9p and the interim dividend is being stepped up from 5.25p to 7.45p. Last year's total was 12.12p.

The board says the increased half-time profit is the result of unusually uneven incidence of profit, and in particular to rises in inventory value of crude oil which produced a substantial surplus in the Canadian companies.



Mrs J. M. Tyrell, chairman of Sirdar: overseas interests cut further

Newman-Tonks draws ahead to almost £2m

Birmingham-based makers of architectural and builders' hardware, Newman-Tonks, achieved fresh records in profits and sales in the year to July 31. The package of growth included a jump of 27 per cent from £1.5m to £1.9m in taxable profits—the second half producing a 21 per cent surge from £1.1m to £1.3m following the first half gain to £620,000. Turnover jumped from £11.1m to £15m, aided by a second rise of 44 per cent from £6.2m to £8.9m. The total dividend is being raised from 3.93p to 4.08p with a final payment of 3.08p against 2.33p.

Davies & Newman reduce losses

Over the past few years the Davies & Newman Holdings group of shipbrokers, shipping agents and airline operators has made a loss at half-time and then gone on to produce profits for the full year, culminating in last year's record of £1.02m before tax.

Unicorn expands with US deal

As part of its plans to expand in overseas markets, Unicorn Industries has agreed in principle to buy Precision Grinding Wheel from Electronic Assistance Corp of Paramus, New Jersey, for about \$2m (£860,000). The net assets being acquired are agreed to have a value at least equal to the consideration.

Precision, which is based in Philadelphia, makes and sells precision industrial grinding wheels, and has an annual turnover of about \$5m a year.

George Mallinson & Sons, the Huddersfield-based woollen and worsted cloth makers, have made a poor start to the current year, with opening pre-tax profits to August 17 trailing from £131,000 to £38,000, and there is to be no interim dividend against 0.75p last term. Reflecting the sharp profit fall

the share price yesterday was cut from 17p to 13p. In June the chairman reported that the group had a good order book, although there were reservations about the immediate outlook for new orders. The board then said they were striving to extend last year's improvement from £118,000 to £209,000 in profits which was the best level since 1969-70.

Myddleton Hotels

After interest charges which jumped from £113,000 to £195,000 profits of Myddleton Hotels slumped from £180,000 to £68,000 last term. The dividend is cut from 7.25p to 5p. Earnings stood at 4.14p a share, against 11.04p.

Ariel Industries

After six months' trading, taxable profits of Ariel Industries have risen from £173,000 to £284,000 and the board says that the full year should show a useful increase in profits. The interim dividend goes ahead from 0.64p to 0.21p.

The board says that the interim profits are not strictly comparable with last year's because the level of earnings is becoming more evenly spread throughout the trading year.

Commercial Union

Yesterday's extraordinary general meeting of Commercial Union Assurance approved an increase in the authorized share capital. This will be raised from £64.25m to £90m by the creation of an additional 103 million shares of 25p each.

Lowland Drapery

Lowland Drapery Holdings say forward orders for the autumn have been satisfactory and continued progress is expected for the rest of this year.

In the first six months to June 30 turnover grew by 17 per cent to £1.83m, and profits by £11,000 to £152,000. The dividend is up from 1.05p to 1.2p.

Oxley Printing down

With operations "severely affected" by the three-day week the pre-tax profit of Oxley Printing slumped by 44 per cent to £137,000 in the half to June 30. Turnover rose from £4.88m to £6.19m.

SWS loan stock

Since its previous announcement on July 16 Slater Walker Securities has purchased for cancellation £35,000 9 per cent Unsecured Loan Stock 1991-96, £10,000 9 1/2 per cent Unsecured Loan Stock 1997-2002, £10,000 9 1/2 per cent Unsecured Loan Stock 1988-93, £30,000 9 1/2 per cent Unsecured Loan Stock 1991-96, and £53,500 9 1/2 per cent Partly Convertible Unsecured Loan Stock 1984.

Michalinos Inv

Having paid a first liquidation distribution of 16p on each "A" and "B" share on Saturday, Michalinos & Gen-

eral Investment group is closing its transfer books permanently on October 24. The first distribution represents nearly 85 per cent of the expected total distribution to shareholders in the liquidation.

Haggas turning stock to cash

Regardless of any change in Government policy, Haggas, the Yorkshire worsted spinners, expects trading conditions to deteriorate and are turning every item of slow-moving stock into cash. This is being invested as the group believes a yield of "16 per cent with no work" is an opportunity too good to be missed.

In spite of short-time working in the industry all the Haggas factories are working at full capacity and in the first quarter to September 30 pre-tax profits rose by £5,000 to £374,000 out of sales of £3.2m (£2.8m). The board repeats its earlier forecast that overall profits will match the record £1.67m earned last year. Though wages and expenses continue to rise the group has been able to reduce many prices due to vigorous cost cutting.

Automobiles Citroen in opening slump

Disclosure of a hefty first-half by Automobiles Citroen, wholly-owned car manufacturing subsidiary of Citroën SA, is likely to give added weight to recent expectations that Citroën may record operating losses of as much as 800m francs this year. The opening loss for 1974 amounts to some 395m francs. For the whole of 1973 net profit was 231.5m francs and after four months of this time round, produced a loss of 228m francs (against a profit of 118m francs). First-half pre-tax earnings of the parent were recently reported as 1.9m against 9.3m francs.—AP-DJ.

INTERIM STATEMENT

SAINT-GOBAIN-PONT-A-MOUSSON

Above average performance in the first half of 1974

Consolidated statement of income (in millions of francs)	1st six months 1974	1st six months 1973	Year 1973
Net sales	10,366	7,475	15,741
Cost of sales, overhead expenses	(8,860)	(6,401)	(13,603)
Gross Margin before depreciation	1,506	1,074	2,138
Depreciation and amortisation	(436)	(326)	(745)
Other provisions	(56)	(11)	(85)
Interest and other financial charges (net)	(314)	(194)	(453)
Net gain (loss) on exchange and translation of foreign company accounts into French francs	9	(33)	(32)
Operating income	709	510	887
Share in net income of equitized companies	60	43	108
Dividend income	13	34	80
Profit on sale of non-current assets	95	27	76
Provision for income taxes	(302)	(243)	(381)
Income before minority interests	575	371	741
Earnings of consolidated subsidiaries applicable to minority interests	(103)	(83)	(128)
Net income	472	308	613
Earnings per share	16.82	11.99	23.63

The Group's consolidated sales amounted to FF10,366 million as against FF7,475 for the first six months of 1973, corresponding to an increase of 39% or 30% on the basis of equivalent structures. Operating income amounted to FF709 million, an increase of 39% in spite of a sharp increase in financial charges.

Net income of FF472 million has increased by 53%, but this includes a substantial capital gain (FF34 million) arising through the disposal of the Group's shareholding in the Lyonnais des Eaux company. After deduction of this gain, the increase in net income amounts to 32%.

On the other hand, as a result of the recommendation made by the French Minister of Finance requesting that the payment of dividends be postponed thirty days, net income for the first half year does not include most of the dividends due from French companies in which the Group has non-consolidated trade investments.

The number of shares entering into determination of earnings per share as of 30th June, 1974 of 28,061,661 (25,833,180 on 31st December, 1973). Net income per share thus amounts to FF16.82 at, after allowing for the capital gain referred to above, FF14.58 (net income per share for the first six months of 1973 amounted to FF11.99 and, for the whole of the 1973 fiscal year, to FF23.63).

The income statement reflects the changes voted by the General Meeting of 27th June, 1974. These transactions have resulted in an additional profit of approximately FF10 million in the consolidated income statement for the first six months. The incidence on the Group consolidated financial statements (which amounts to FF22 million) of the provisions set up by Certain-Prod Products Corporation (U.S.A.) as the result of the difficulties of one of its subsidiaries has been carried entirely in the accounts for the first half year.

The principal changes which have occurred in the consolidation plan since December 31st, 1973 concern the consolidation of the Air Industrie Company and its main subsidiaries (engineering and air treatment activities) in which the Group's interest has recently been increased, through a public offering, from 34% to 82%. On the other hand, the Saint-Gobain Carmaux Interplastic Company (Plastic Packaging), which was recently disposed of to another Group, has been taken out of consolidation.

Since the end of the first six months, the Group has felt the repercussions of the economic slowdown. While it is reasonable to expect that sales during the second half of the year will continue at a level similar to that of the first six months and will thus amount to approximately FF20,000 million for the year the same will not be true for profit.

Industrial operations continued at a high level during the first six months with two exceptions. The first of these concerns the market of products associated with the automobile industry, especially glazing, sales of

which have declined on an average of 20%. The second exception is geographic and concerns Germany, where sales (in Deutsche Mark) have increased by only 3% while consolidated income has fallen by 35%. The construction materials division (34% of Group sales) has benefited from the boom in insulation and has been able to cope with the rapid increase in demand principally in France, thanks to the considerable investments which have been made in new plant in recent years, particularly in France and Germany. Sales of insulating materials in Europe should increase in volume by approximately 20% this year. On the other hand, the sales of glazing have slowed down sharply in the course of the year, because of the conditions prevailing in the automobile and building industries, and the output of some plants has had to be reduced as a consequence. In contrast, the sales of asbestos-cement products have continued to be satisfactory.

In the pipework and engineering division (17% of sales), the demand for cast iron pipe remains high both in France and on the export markets, the latter of which account for 45% of sales. A deterioration of the situation in the areas associated with the building trades is already noticeable, however. The packaging division (21% of sales) enjoyed a satisfactory half year, both in its glass and in paper and cardboard operations. This has made it possible to improve profit margins, which had been inadequate over recent years, but signs of a slowdown are already appearing.

The results of the companies in the Group's contracting and services division (14% of sales) vary depending on their specialities, but overall they will make only an insignificant contribution to the Group's income in 1974.

The operations of the distribution division (12% of sales) were at a high level during the first six months and should remain so. The Group has decided to slow down its investment programme, but the measures decided upon by management will not be felt for the most part until 1975. Nevertheless as of 1974, total consolidated investments will be approximately 10% less than in 1973, although it is true that investment outlay in 1973 was exceptionally high due to the acquisition of new shareholdings.

The Group's cash flow increased from FF686 million to FF988 million for the first six months and although this figure will not be doubled for the whole of the fiscal year, it should be possible to finance a larger share of investments from cash flow. At the same time, the increase in the Group's long term debt in 1974 should be sharply less than that observed in 1973. In general, it is important to take into consideration that a part of the increase in the Group's sales and income derives from the effects of world inflation which it is impossible to eliminate on the basis of the accounting principles used at the present time in the preparation of consolidated financial statements.

SAINT-GOBAIN-PONT-A-MOUSSON

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Johnson & Firth Brown Ltd

Preliminary Results

YEAR TO 30TH JUNE 1974

	1974	1973
TURNOVER	154,633	71,513
GROUP TRADING PROFIT	11,103	4,889
PRE-TAX PROFIT	7,209	3,216
TAXATION	2,933	1,431
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	4,285	1,642
EARNINGS PER SHARE		
BASIC	8.1p	5.3p*
DILUTED	7.2p	5.0p*
DIVIDEND PAYABLE PER SHARE	2.250p	2.234p
NET ASSETS PER SHARE	69p	69p
NET ASSETS	£36.5m	£36.5m
CAPITAL EXPENDITURE	£5.3m	£3.6m

- Earnings per share up 53%.
- Recommended dividend increased by maximum permissible.
- Directors confident of continued progress during current year.
- Falling copper price offsetting effects of inflation on company's working capital.
- Company unaffected by financial difficulties at Jessel Securities Limited, a substantial shareholder.
- Profits being ploughed back into further major capital expenditure projects.



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§ Forward bargains are permitted on two previous days.

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